



MEMO

TO: Common Council

FROM: Debbie Galeazzi, City Clerk

SUBJECT: Contract for Voting Machines Sales/Service

DATE: July 1, 2010

Dominion Voting Systems, Inc. Toronto, Ontario, Canada has purchased assets relating to the Premier Voting Equipment System Products from Premier Election Solutions. Dominion Voting Systems, Inc. is a United States company registered in the State of Delaware with offices located at 717 7th Street, Suite 310, Denver, CO and 221 Hopkins Avenue, Jamestown, New York. The current contracts for both our Optical Scan (OS) and Touch Screen Extra (TSX) voting machines are currently with Premier Election Solutions (PES). We have two options: terminate our current contract with PES or assign the contracts we are currently under to Dominion voting Systems and release PES from all future obligations under such contract. Winnebago and Calumet Counties have decided to terminate their contracts with PES and assign to Dominion. If we would not go with the decision made by Winnebago and Calumet Counties we would not be able to utilize the GEMS Software to modern election results. We would have to call in results the night of the election.

My recommendation is for the Common Council to direct me to sign the letter electing Dominion Voting Systems, Inc. as the City of Menasha provider of Premier Voting Equipment System Products services and parts and requesting any contract with PES pursuant to which it provides Premier Voting Equipment System Products services and parts be assigned to Dominion Voting Systems, Inc. effective immediately, and hereby release PES from all future obligations under such contract.

Debbie Galeazzi

From: Ertmer, Sue [SErtmer@co.winnebago.wi.us]
Sent: Thursday, June 24, 2010 3:43 PM
To: Backman, Karen ; Beverly Searvogel-Kidwiler; Braasch, Jerry; Brazee, Shirley; Chmielewski, Ellen (Town of Black Wolf); Debbie Galeazzi; Gilbert, Susie; Hesse, Cindi; Jaci Stelzner; Joeckel, Angela; Julia Reinert; Kutchenriter, Linda (City of Omro); Mathison, Sharon; Merten, Jeannette; Morell, Brenda (Utica); Nelson, Char (Town of Algoma); Pat Rabe; Peggy Hendricks; Pinnow, Beckie; Robin Coburn; Sturn, Patty; Susan Nester-Huebner; Ubrig, Pam; Van Clake, Barb (City of Omro); Zobel, Yvonne
Subject: Dominion
Attachments: Dominion.doc

Thanks for coming to today's meeting on voting equipment. Here is a corrected copy of the form that you can use if you are going to switch to Dominion Voting Systems as your election provider. Please us this form instead of the one I gave you at the meeting.

If you weren't at the meeting, here are some of the things you should know about the decision we are asking you to make:

- ES&S can support your existing equipment, but they cannot sell you any upgraded Premier voting equipment or software
- If you stay with ES&S, you will work directly with ES&S for your voting equipment needs and equipment service and support.
- The county is switching to Dominion because we need to upgrade the software for GEMS—our voting accumulation system.
- Dominion is going forward with obtaining state approval of the OSX voting machine. (The OSX is the next version of our OS voting machine.) Dominion will be the only company who can sell and services the OSX.
- A number of former Premier/ES&S employees have gone to work for Dominion. These are people that we have worked with for years and who have done our programming and provided sales and technical support.

Because we are starting to prepare for the September election, we need to know as soon as possible if you are staying with ES&S or if you are going with Dominion Voting Systems. Please look over the attached form and mail or fax it to me at your earliest convenience. I will then forward it on to Donna Serwas and Tami Koch at Dominion Voting Systems.

If you decide to switch to Dominion Voting Systems, please check the second option on the letter. This choice automatically assigns your service and software agreements to Dominion.

Please call me if you have any questions. Thank you.

Debbie Galeazzi

From: Beth Hauser [hauser.beth@co.calumet.wi.us]
Sent: Thursday, June 24, 2010 12:40 PM
To: admin@ci.kiel.wi.us; Casey Langenfeld (clangenfeld@wppienergy.org); Cindi Hesse (cindi.hesse@appleton.org); Debbie Galeazzi; clerk.sherwood@newbc.rr.com; dclerk@ci.brillion.wi.us; Dennis DuPrey (hilbertclerk@bugnet.net); Dennis Gruett; Doug Koffarnus (cdkoof@hotmail.com); Ellen Pattermann (townofwoodville@yahoo.com); Helen Schmidlkofer (E-mail); janelle@ci.kiel.wi.us; Karen Lamers; Karen Ott; Leanne Karls; Lori Gosz (E-mail); Marlene Thede; Mary Schwartz; Michael J. Stutz (mstutz@wppienergy.org); Mike Hofberger ; Penny Weir (pweir@townofharrison.org); Sharon Allen (davallen1@verizon.net)
Cc: Deb A Anhalt; Beth Hauser
Subject: ES&S Divestiture to Dominion Voting
Attachments: Elect Provider 6-24-2010.doc
Importance: High

Good morning.

I promised that I would contact everyone as soon as I returned from conference regarding ES&S and Dominion Voting.

I met with Donna Serwas and Tami Koch at our conference and here is what I know:

If we stay with ES&S as a vendor, they can do our coding/testing/ballot prep as we are used to. They can also make repairs to our equipment, as long as they have the parts. What they cannot do is upgrade our equipment.

Dominion Voting Systems has purchased the intellectual rights so they are the only company that will be able to provide upgrades to our machines. If we do not use Dominion and we ever need upgrades, our only option will be to purchase NEW equipment.

My suggestion is that we go with Dominion Voting Systems. Several of the staff members that we are used to working with are now with Dominion Voting Systems. They have promised us the same pricing as what we had with both Premier and ES&S.

I have drafted the attached letter on behalf of the municipalities and would like to fax to Dominion and ES&S tomorrow if at all possible. Time is of the essence, as I am already late getting my ballot assignment charts to our vendor.

Please respond with your intentions by noon tomorrow so that I can send my information to the companies.

Thank you for your prompt response.

Beth

Beth A. Hauser
Calumet County Clerk
206 Court Street
Chilton, WI 53014
(920) 849-1458

Elected Officials and Members of Official Committees: In order to comply with open meeting requirements, please limit any reply to only the sender of this electronic communication.

Premier Election Solutions, Inc.
11128 John Galt Boulevard, Suite 200
Omaha, NE 68137
Fax: (402) 970-1291

Dominion Voting Systems, Inc.
215 Spadina Avenue, Suite 200
Toronto, Ontario Canada
Fax: (416) 762-8663

To Whom It May Concern:

This letter is to serve as written notice that _____ hereby elects Dominion Voting Systems, Inc. as its provider of Premier Voting Equipment System Products services and parts.

_____ hereby requests that (check which one applies):

_____ any contract with PES pursuant to which it provides Premier Voting Equipment System Products services and parts be terminated.

or

_____ any contract with PES pursuant to which it provides Premier Voting Equipment System Products services and parts be assigned to Dominion Voting Systems, Inc., a United States company registered in the State of Delaware with offices located at 717-7th Street, Suite 310, Denver, CO 80202 and 221 Hopkins Avenue, Jamestown, New York 14701, effective immediately, and hereby release PES from all future obligations under such contract.

Sincerely,

Date: _____

May 19, 2010

Dear (Customer):

This letter is to advise you that Dominion Voting Systems, Inc. ("Dominion") has purchased assets relating to the Premier Voting Equipment System Products from Premier Election Solutions, Inc. and PES Holdings, Inc. (together referred to in this letter as "PES"), as outlined in the attached press release. As a result of this transaction, both PES and Dominion will now have the ability to sell, repair, and service Premier Election Solutions' suite of election system products.

Your current contract with PES was not included in the transaction. However, PES has agreed to allow your jurisdiction to elect to either (1) terminate its contract with PES and enter into a new agreement with Dominion or (2), subject to Dominion's consent, have its contract assigned directly to Dominion. If you decide to terminate your contract with PES, PES will waive any contractual term which prohibits this termination, and will not be entitled to any payment, waiver or other consideration in connection with your decision. If you decide to assign your contract to Dominion, PES will assign the contract, and will not be entitled to any payment, waiver or other compensation in connection with such assignment, subject to your jurisdiction releasing PES from all future obligations under such contract.

In the event you select Dominion as your provider of Premier Voting Equipment System Products services and parts, the only action required by you is to notify PES and Dominion of your selection by returning the attached letter to both PES and Dominion. Upon receipt of the letter, PES will automatically and without any further consideration or compensation, terminate your contract with PES or assign such contract to Dominion. In addition, PES will immediately either (a) refund any unamortized prepaid amounts for license support or services, extended hardware warranties or hardware maintenance (collectively, "Deferred Services") first accruing and paid by your jurisdiction to PES subsequent to September 2, 2009, or (b) remit to Dominion any unamortized portion of the prepaid amounts for Deferred Services first accruing and paid by your jurisdiction to PES subsequent to September 2, 2009.

If you have any questions you may contact Steve Moreland, Vice President Customer Service at Dominion Voting Systems, Inc. at (214)-930-8659 or Tom Burt, Senior Vice President, at PES (402) 593-0101.

Sincerely,



John Poulos
Dominion Voting Systems, Inc.

Sincerely,



Tom O'Brien
Premier Election Solutions, Inc.
PES Holdings, Inc.

Dear Valued Customer:

Last week, I sent you a letter via email regarding the divestiture and settlement with the U.S. Department of Justice. I recognize that emails sometimes get caught within spam folders or become accidentally discarded, therefore I am mailing you a copy to ensure that you receive it. If you have already read this letter, then please disregard. If you did not receive my previous email, I apologize.

Please understand that we are here to continue to support you, your jurisdiction, and existing Premier products, and plan to continue providing you with the best service in the industry.

Sincerely,
Aldo Tesi, President and CEO

COPY OF LETTER

May 19, 2010

Important Announcement from ES&S/PES

Today Election Systems & Software, Inc. (ES&S) and Premier Election Solutions, Inc. (PES) announced that a buyer has purchased certain intellectual property and other assets of PES. The purchase is the result of the investigation by the US Department of Justice (DOJ) and serves to resolve the concerns raised by the DOJ.

The sale to Dominion Voting Systems headquartered in Toronto, Ontario, Canada, does not take away ES&S/PES's ability to service your election needs. You have options and do not need to make any change, especially given the demands of your 2010 election calendar. We want to encourage you to take the time to fully understand your ability to stay with PES and discuss all of your questions directly with your ES&S/PES representative.

Below are some key details of this transaction that are important for you to know:

- **ES&S retains ownership of PES which retains the right to support PES products**
PES continues to exist, ES&S continues to own PES, and together, we remain fully enabled to support your current PES voting technology and serve your election needs. Under the terms of the sale, PES retained license rights to support the intellectual property that has been sold and you use today. As you have seen since ES&S acquired PES, we are committed to meeting your election needs and we look forward to the opportunity to continue serving you well into the future. We have a proven track record of supporting voting system technology and providing the products and services our customers need.
- **ES&S and PES have proven talent with the knowledge and expertise to support our customers**
ES&S and PES will continue to have the people, knowledge and know-how you need to manage your elections. We will continue to offer the highest quality service and support to all of our customers that use PES voting technology.

Continued on Next Page...

- **ES&S and PES have the resources and financial strength to ensure our ability to deliver**

ES&S is the industry leader in providing end-to-end integrated election solutions. For almost four decades, ES&S has had a successful track record of producing quality results. Our proven election track record puts us in the best position to meet tomorrow's election needs and create new voting-systems. We are the best choice for serving your entire spectrum of election needs because of the depth of our product offerings, our unrivaled expertise, and our strong commitment to customers.

When we acquired PES in September 2009, we immediately committed to each customer that we would continue to support their existing PES voting system as long as possible. As a result, we have already helped former PES customers conduct more than 1,500 successful election events – most of those occurring in November 2009, just two months after the acquisition. We are proud of our work in support of former PES customers across the country.

ES&S is a better company as a result of its acquisition of PES. The addition of talented PES employees and our demonstrated success shows that we remain the right partner for former PES customers. ES&S has been a trusted partner of jurisdictions for more than 30 years, and we will work hard to preserve your trust and confidence in the future.

Thank you for the opportunity to serve your election needs. We look forward to servicing your election needs for 2010 and beyond. If you have any questions or concerns, please do not hesitate to contact me or your ES&S representative.

Sincerely yours,



Aldo Tesi
President and CEO