

# ShareGift USA...

## "Making Shares Make a Difference"

*An update from ShareGift USA's Chairman Barbara Vogelstein and President Barbara Wynne*



Chairman Barbara Vogelstein and President Barbara Wynne

**The OPTIMIZER:** Please remind us about ShareGift USA - how it got started, and how you got involved.

**Barbara Vogelstein:** ShareGift got started in the UK in 1996 by a friend of mine, Claire Mackintosh. The idea is a simple and very appealing one: to make it easy and appealing for shareholders with modest share holdings - which often they have completely forgotten about - to donate them to charity. Since its founding, ShareGift has been raising \$5 - \$6 million a year for charity in the UK - in a country that is one-fifth the size of America, so the potential to raise significant sums for charity is obvious. Moreover, half the companies in the FTSE or "Footsie" 100 have participated in the program.

I was totally taken by the concept, and in 2005 we obtained 501 [c](3) status as a nonprofit in the US. Since then, with some great early support from DF King and Computershare/Georgeson, we've worked with a wonderful group of companies - like AXA, Comcast, Gannett, Kraft Foods, Morgan Stanley and Pepsi-Americas - who offered the ShareGift USA option as part of their "odd-lot" or "small shareholder buy-back/roundup" programs.

Then, in 2008, with the help of Board members Andy Brownstein of Wachtell Lipton and Roy Katzowicz of Pershing Square Capital Management, we prepared a White Paper about ShareGift USA and sent it to the SEC, looking to get a No-Action letter from them that would make US companies completely comfortable with making the ShareGift option available in M&A transactions. Fifteen major M&A law firms joined in the submission.

This is a very special sweet-spot for ShareGift, since mergers and spinoffs often give rise to a very large number of "new share owners" who end up with very small holdings, and often, have no real interest in being shareholders of the new entity. Furthermore, in tender offers, many very small shareholder accounts are often created or "left behind". So when public companies can reduce the number of such holders - who cost the company quite a bit of money to maintain each year, as we all know - it turns into a winning proposition all around.

**Barbara Wynne:** Not long after ShareGift received the SEC No-Action letter, I came onboard as president. I am a lawyer, who had worked on public com-

pany matters at White & Case, and at Morgan Stanley, then went on to be a full-time mom, while keeping up my involvement in the non-profit world. This is such a brilliant idea, and with the No-Action letter we immediately went into a higher gear. We have been presenting the ShareGift program to all of the major M&A law firms. We have an amazing Board, which gives us truly wonderful access, both to public companies and to their legal firms. Recently, Henry Schacht, who has served as chairman and as an outside director at many public companies - as well as a director of numerous non-profit organizations - joined the Board, as did Catherine Kinney, whom most of your readers will know as the former President and Co-Chief Executive Operating Officer of the New York Stock Exchange.

**Barbara V.** And Barbara Wynne, let me add, is pretty well known in the non-profit world, as a member and former Board Chair of the New York Women's Foundation. Ultimately, we want to become part of the 'wallpaper' in M&A transactions and spinoffs, where we hope to have the ShareGift option automatically included in the proxy statements and offering materials of virtually every deal.

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**The OPTIMIZER:** Let's talk about the kinds of charities that are eligible.

**Barbara V.** Initially, we did a study of American giving habits and decided to divide the donations among top charities in six broad areas; Education, Health, Human Services, Public Society, the Environment and International causes. We excluded religious groups, and the arts, since giving to these causes is either personal or locally oriented.

*"This is an idea that deserves to happen"*

**Barbara W.** This year, we have selected Teach For America, Alzheimer's Association, Juvenile Diabetes Research Foundation, Feeding America, The Trust for Public Land and Room to Read, which partners with local communities throughout the developing world.

It's especially important to note that virtually every penny we collect goes to charity: None of us takes a salary, and all our office space and our legal and support services are donated as well.

**The OPTIMIZER:** What if a company has a particular charity or group of charities that are especially near and dear to them. Are you open to that?

**Barbara V.** Yes indeed. We were thrilled to get ShareGift into the recent \$40 billion merger of Schering-Plough into Merck, where Schering-Plough's Corporate Secretary Susan Wolf went strongly to bat for us early on. They asked if we would add a few more medically-oriented charities and we were delighted to do it.

**The OPTIMIZER:** Have you seen an increase in interest in Share Gift since the No-Action letter - and do you see the pace of deals picking up in the current economy?

**Barbara W.** Recently, we were included in another very big deal - the \$10 billion acquisition of Metavante Technologies by Fidelity National Information Services. And yes, we do think that M&A activity, and in spinoffs, will continue to pick up in today's economy. We also expect that interest in "odd-lot" and "small shareowner buy-back" programs will pick up significantly, since these can be major money-savers for public companies.

**The OPTIMIZER:** Where do you find the "sweetest spot" is for donating to ShareGift where so-called "small shareholders" are concerned?

**Barbara V.** We believe that the "sweet spot" is a lot bigger than many people imagine. In small shareholder roundup programs for example, where all shareholders see the ShareGift option, and where they can donate "all or part of their holdings" we have seen many donations averaging \$250 and ranging up to \$1000.

**The OPTIMIZER:** Any practice tips for readers on how best to put the ShareGift option across to shareholders - and get them to respond?

**Barbara V.** We suggest that you use **BIG BOLD LETTERS** - and that you also leave lots of white space, so the "wallpaper" stands out, and skim-readers will take notice.

In the UK they tend to use colors a lot - and sometimes graphics to draw attention.

Simplicity is very, very important. Many UK firms highlight just three simple options: SELL, DONATE or DO NOTHING. The fewer the choices, the more likely people are to respond. And I do believe that fewer people decide to "do nothing" given these three simple choices.

Also, it's an especially big plus, I think, when the company charges nothing for donating. Quite aside from the fact that the company is, in effect, putting its own money where its mouth is when it comes to giving to charity - when small accounts can be completely closed out, most companies will earn back any costs they may incur to spur this along in a very short period of time.

As you can tell, we are very excited about this. America has a big pool of public companies, smallish shareowners and invested dollars, so the opportunity is enormous. We like to say that this is an idea that deserves to happen. And it will.

**The OPTIMIZER:** The most important question of all: How can readers reach you?

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