

TO: Supporters of Americans for Fair Electronic Commerce Transactions (AFFECT)
FROM: Jason Kaune, Counsel
RE: Donation of Appreciated Stock

Americans for Fair Electronic Commerce Transactions (AFFECT) is a coalition of business, non-profit and consumer organizations formed to educate the public and policy makers about anti-competitive state law proposals concerning electronic commerce transactions, such as the Uniform Computer Information Transactions Act.

AFFECT is a California non-profit corporation, and is in the process of applying for exemption from taxation under section 501(c)(4) of the Internal Revenue Code.

Contributions of Appreciated Stock Are Permissible,
and May Result in Tax Advantages for the Donor

As you may know, contributors to nonprofit organizations such as AFFECT may contribute appreciated stock in lieu of, or in addition to, monetary contributions.

Contributions of low-basis stock may avoid the imposition of capital gains (or ordinary income) tax and therefore may result in significant tax advantages for the contributor; potential contributors should consult a tax lawyer or an accountant to determine whether this is the case (as well as to determine whether any gift tax issues exist).

In order to contribute restricted or unrestricted stock to AFFECT, please follow the instructions below, and complete the enclosed Transfer Authorization and Contributor Information Form.

Stock Transfer Instructions

The information you may need to effectuate a stock transfer to Americans for Fair Electronic Commerce Transactions is as follows:

DTC #: 5198

Account #: 27G-04502

Account Name: Americans for Fair Electronic Commerce Transactions
 c/o Merrill Lynch
 100 Shoreline Highway, Bldg. A; Suite 125
 Mill Valley, CA 94941

Merrill Lynch Contact: Terri Brown at (415) 289-8844

It is much easier for the organization to receive unrestricted stock. In the event that you are transferring restricted stock, you or your broker must call the organization's Merrill Lynch broker in advance of making the stock transfer.

Because it is important for the organization's tax and lobbying reporting purposes, please "cc" me by fax (415/388-6874) a copy of your instructions/authorization to your broker to make the transfer. We have enclosed a draft Transfer Authorization that you may use to send to your broker. Please also complete the enclosed Contributor Information Form and fax it to our attention at the same time.

* * * * *

Please feel free to contact me or Kerry Murphy with any further questions.

JDK
7316.01

STOCK TRANSFER AUTHORIZATION

[DATE]

[BROKER NAME]

[BROKERAGE FIRM]

[ADDRESS]

[CITY/STATE/ZIP]

Dear [BROKER]:

Please be advised of my intent to donate in-kind [XXX] shares of [company name] stock to:

Americans for Fair Electronic Commerce Transactions
c/o Merrill Lynch
100 Shoreline Highway, Building A, Suite 125
Mill Valley, California 94941

Taxpayer I.D.: 94-3379751
DTC: 5198
Account Number: 27G-04502
Attention: Terri Brown, Merrill Lynch

This letter shall serve as your authorization to facilitate the transfer and re-registration, if necessary, of the above referenced stock.

Sincerely yours,

[Name of Donor]

cc: Jason D. Kaune, Esq.
Americans for Fair Electronic Commerce Transactions
Fax: 415-388-6874

STOCK CONTRIBUTION NOTIFICATION FORM

To make a contribution of stock to Americans for Fair Electronic Commerce Transactions (AFFECT), please complete this form and fax it to Jason Kaune (415/388-6874):

Contributor's Name: _____

Company (if applicable): _____

Address: _____

Occupation: _____

Employer: _____

Date Contribution Made: ____ / ____ / ____

Stock Name: _____ # of Shares: _____

Date Donated: ____ / ____ / ____

Value: \$ _____
[FMV on date of transfer]

Is this stock restricted? Yes No

[If Yes, please contact Terri Brown at Merrill Lynch at (415) 289-8844 for information on how to donate such stock.]