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## SEQUOIA VOTING SYSTEMS RESPONDS TO VENEZUELA-RELATED RUMORS AND MISINFORMATION

**OAKLAND, CA - May 11, 2006** - Sequoia Voting Systems today responded to Venezuela-related rumors and misinformation about the company's ownership, operating structure and past performance.

"Contrary to current misguided conspiracy theories, Sequoia Voting Systems is a U.S. company dedicated to providing Americans accurate, reliable and fair voting systems as we have been for more than 100 years. All of Sequoia's software has been tested by federal Independent Testing Authorities, qualified by federal authorities and certified by individual states," said Jack Blaine, president Sequoia Voting Systems.



**Sequoia's History of Success and Innovation** - Sequoia Voting Systems has a proud history of providing accurate, reliable, state-of-the-art election technology services and support to state and local government for more than 100 years -- dating back to the development of the nation's first lever-based mechanical voting equipment in the 1890s. The company has hundreds of customers throughout 20 states including California, Colorado, Florida, Louisiana, New Jersey, Nevada and Washington, D.C.



AVC Edge®

Sequoia has been providing electronic voting equipment for twenty-five years and leads the industry with our AVC Advantage full-face push button electronic voting system and the AVC Edge touch-screen system.



AVC Edge® with VeriVote Printer

In November, 2000, Sequoia's AVC Edge system was used by Riverside County, California in the nation's first large-scale countywide use of touch screen voting technology. The successful elections in Riverside provided a sharp contrast to the troubles that plagued the Florida punch card ballots during that same election.

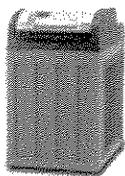
Sequoia has achieved a number of firsts in election modernization:

- First countywide use of touch screen voting (Riverside County, CA November, 2000)
- First company to offer a voter verifiable paper printer upgrade (AVC Edge with VeriVote, 2004)
- First combined use of optical scan and fully accessible electronic voting (Washington, DC, 2004)
- First use of audio voting feature with full-face electronic voting system (New Jersey, 2004)
- First statewide election with voter verifiable paper records (Nevada, September 2004)



AVC Advantage®

More than 52,000 Sequoia electronic voting machines were used to record in excess of 125 million individual votes during the November 2, 2004 presidential election.



Optech Insight®

Sequoia is a U.S. leader in Voter Verifiable Paper Audit Trail (VVPAT) technology, which combines electronic systems with a fully-auditable paper trail, one Americans can see and approve.

In fact, a study conducted by the University of Missouri - St. Louis by David C. Kimball shows that Sequoia's Edge DRE with VeriVote VVPAT had the lowest residual vote rate compared with all competing electronic voting systems. The residual vote rate of 0.3% in 17 counties in Nevada was much lower than the 0.9% nationwide residual vote rate for all touchscreen DREs based on the 333 county study conducted during 2004 elections.

To correct recently reported misinformation, Sequoia emphasized the following points about its parent company, corporate structure and management:

**Sequoia Ownership** - Sequoia Voting Systems is a subsidiary of Smartmatic, a private company incorporated in Delaware with principal offices in Boca Raton, Florida. While a private firm, Smartmatic is and has always been open about its owners. A controlling interest is held by its founder and CEO Antonio Mugica, a dual Spanish and Venezuelan citizen.

There is absolutely no ownership of Sequoia Voting Systems or its parent Smartmatic by the Venezuelan government or any other government - foreign or domestic.

**Sequoia Leadership** - Jack A. Blaine currently serves as President of Sequoia Voting Systems and its parent company Smartmatic Corporation. Prior to his tenure at Smartmatic, he served as Executive Vice President of Unisys Corporation and President of Worldwide Sales and Services. Earlier, Mr. Blaine served in management roles for the Ford Motor Company and as a U.S. Naval officer.

**Smartmatic Operating Structure** - Smartmatic's operating structure is comparable to other multinational corporations. Specifically, Smartmatic Corporation is a unit of Smartmatic International Holding, B.V., a Netherlands-based business. Smartmatic International Holding is a unit of Smartmatic International Group, N.V., Curacao. The structure is designed to allow Smartmatic to function efficiently and effectively in vastly different markets and regions around the world.

"To set the record straight, both Sequoia and its parent company Smartmatic are privately-held, independent business. No foreign government has ever held any ownership stake or exercised any management control over either company," said Blaine.

Sequoia Voting Systems also addressed recent questions about its acquisition by Smartmatic in March 2005 and the Committee on Foreign Investment in the United States (CFIUS).

**CFIUS Review of Smartmatic's Purchase of Sequoia** - Sequoia's products consist only of voting devices and systems, all of which must be federally and state tested (including a line-by-line review of all software source code) and certified prior to use in an election by our customers. As Sequoia's products do not have military, defense or national security applications, they do not fall within the parameters of the matters governed by CFIUS.

In addition, Sequoia Voting Systems responded to inaccurate statements about its parent company Smartmatic's performance in the 2004 Venezuelan Presidential Recall Referendum.

**Smartmatic and the 2004 Recall Referendum in Venezuela** - Like Sequoia in the U.S., Smartmatic is a leader in voter-verified voting technology in the international marketplace.

Smartmatic was a member of the consortium that handled the 2004 Recall Referendum in Venezuela. The other two companies in that consortium were Bizta, a Venezuelan software consulting firm; and CANTV, Venezuela's largest telecommunications provider.

Smartmatic's electronic voting system with auditable paper trail was used in this election and performed exceedingly well. Both the Carter Center and the Organization of American States monitored and audited the election and found that the results and equipment were accurate.

In fact, the Carter Center's final report investigated and rebutted the main allegations and conspiracy theories surrounding the referendum's outcome. Let us quote: "The audit concluded the voting machines did accurately reflect the intent of the voters as evidenced by a recount of the paper ballots in a sample of machines...The Center found no evidence of fraud."

**Role of Bizta in Venezuela's 2004 Recall Referendum** - There is confusion over a 300,000,000 bolivares (approximately \$150,000) loan made in 2003 by the Venezuelan Industrial Credit Fund (Fondo de Credito Industrial) - the equivalent of the U.S. Small Business Administration - in Bizta, a software company in which Smartmatic CEO Antonio Mugica and Smartmatic co-founder Alfredo Anzola were investors. Bizta pledged 28% of its shares as a guarantee for this routine loan. The loan was paid in full in 2004 prior to the Recall Referendum.

In conclusion, Sequoia president Jack Blaine offered the following comments:

"The notion that hostile foreigners have acquired or seek influence in the US voting process simply doesn't stand up to even the most limited scrutiny. We welcome concerned citizens and political leaders to review the facts about Smartmatic's acquisition of Sequoia Voting Systems closely, and upon reviewing the facts, it will become clear why Smartmatic chose to combine with Sequoia in an effort to merge the most secure and successful companies in the international and domestic voting systems markets. Sequoia, a top U.S. firm, is a perfect partner for Smartmatic, a fully independent company with a strong international presence, and now, like so many other American companies with global operations and reach, we are simply striving to be the best in our business," concluded Blaine.

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**About Sequoia Voting Systems ([www.sequoiavote.com](http://www.sequoiavote.com))**

Sequoia Voting Systems is an American company, based in Oakland, California with a 100-year history of providing accurate, reliable, state-of-the-art voting solutions dating back to the nation's first lever-based mechanical voting equipment in the 1890s. Sequoia provides election technology, services and support to state and local government including precinct-based optical scan ballot readers, high-speed central count optical scan ballot readers, ballot layout and printing services, and full-face and paginating electronic voting equipment with optional printers that produce voter verifiable paper records.

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