

From: [Matthew P. Schaefer](#)
To: [Curt Barry](#)
Bcc: [Jolene LaJoie](#)
Subject: RE: report
Date: Thursday, September 23, 2010 4:37:00 PM

Curt:

Thanks. We continue to make more progress. I may try to streamline a bit in my editing later. Here are a couple of things that I know I will want to include in the final report:

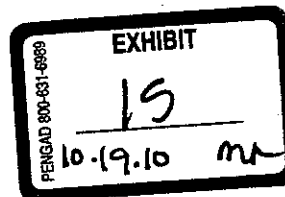
- A very first bullet point in the **Statement of Opinions** that reads something like: "Each of the requirements of the new Colorado law will require affected out-of-state retailers to incur costs of compliance. In many cases, these costs will be significant, particularly in light of the relative size of the Colorado market as a percentage of the nation market as a whole." (Curt, if you feel on solid ground, we might even add: "Indeed, the initial and ongoing expense may be so significant, that some retailers may determine that it is cost-prohibitive to continue marketing to Colorado consumers.")
- A crisp statement of opinion of a range of costs for each statutory requirement (low end is probably the low end of our required + necessary costs, high end is the high end of everything, including discretionary) – each of these may follow directly upon the first general statement, above.
- A simple calculation sheet for each category (perhaps appearing as the **last page of each exhibit, A, B and C**) that does the simple math that supports the range

These types of crisp, direct conclusions are absolutely vital – however complicated any other part of the discussion becomes, it allows us to point to a few, very direct statements that cut to the chase.

The only other things I would suggest are: On **page 10**, can you give an estimate of the hours for internal folks that leads to \$8,000 to \$10,000 cost estimate, and of the hours for external vendors that leads to \$15,000 to \$20,000 estimate?

On **page 14**, I know that we really lack the detail necessary to know what will be required for the Disclosure Report to the Department, and we say that. Are you comfortable adding something like: "Although some of the initial investment is built in to the costs detailed for modifying systems to create the Annual Purchase Summaries for customers, the disclosure report to the Department is a much larger file (because it must include ALL Colorado purchasers, not merely those purchasing over \$500) and will consequently require considerable investment to review, validate, etc. Even making a very conservative estimate of the additional investment for preparing such a file, the time required for such quality control/quality assurance tasks would be between [x] and [y] hours, or between \$[z] and \$[zz] dollars, separate and apart from additional systems costs."

Let me know if these suggestions are clear. I think if you do the simple math sheets and develop short statements of opinions based on each of them, and make the other changes, I will work on edits to the text you sent.



FCB 00666

Thanks,

Matt

From: Curt Barry [mailto:cbarry@fcbco.com]
Sent: Thursday, September 23, 2010 1:58 PM
To: Matthew P. Schaefer
Subject: report
Importance: High

Matt

Confirm receipt.

I have talked to 15 companies today. 50% had no awareness of this regulation which is very worrisome and disconcerting in trying to estimate costs. So the impressions and costs were all over the place. I took your advice and cut the costs down considerably to avoid issues.

I have computer issues and can't print. I am taking a break. Let me know what you think.

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