



December 22, 2006

Dear Sequoia Customers –

As you are likely aware, Sequoia and Smartmatic voluntarily filed for review of Smartmatic's acquisition of the company with the U.S. Committee on Foreign Investment in the United States (CFIUS) in an effort to put to rest the baseless but persistent rumors about our company's ownership.

The CFIUS process has been very time consuming, expensive and draining on our intellectual capital, distracting both Smartmatic and Sequoia from our critical core business goals of enhanced growth in the world marketplace.

More importantly, given the current climate of the United States marketplace with so much public debate over foreign ownership of firms in an area that is viewed as critical U.S. infrastructure – election technology – we feel it is in both companies' best interests to move forward as separate entities with separate ownership, while intending to remain business partners.

Therefore, we are announcing via the attached press release that Smartmatic has withdrawn from CFIUS review process with the approval of CFIUS, a U.S. government inter-agency group led by the U.S. Department of Treasury.

Smartmatic is also announcing its intent to seek an acquirer for Sequoia Voting Systems.

In spite of this announcement, it is important that our customers know that Sequoia and Smartmatic intend to work together as business partners, leveraging our companies' mutual strengths after the sale of Sequoia. Going forward, Sequoia will be able to buy new products from Smartmatic, and Smartmatic will be able to address the U.S. market through Sequoia. The major visible difference in the future will be new, separate U.S. ownership for Sequoia which will enable Sequoia and Smartmatic to work together as true business partners rather than as subsidiary and parent. To have Sequoia owned by U.S. investors will be in everybody's best interest in the end.

Our goal in communicating this information is to assure you that we fully intend to maintain the value of both the Sequoia and Smartmatic enterprise. Both companies will continue to operate with the same management teams in place and we expect any changes to be completely transparent externally to you. We will go forward "business as usual" during the Sequoia sales process which we expect to take between 6 and 12 months to complete. Both Sequoia and Smartmatic will keep doing the same things they do today: provide the most reliable, secure and auditable voting solutions to the marketplace.

I am very proud of all of the tremendous work the Smartmatic and Sequoia teams have accomplished this year; Sequoia voting equipment was used successfully by hundreds of customers throughout 16 states and the District of Columbia during the November mid-term elections here in the U.S. Smartmatic worked

with their CNE customer in Venezuela to conduct a very accurate, smooth and auditable presidential election on their renowned SAES electronic voting equipment with Voter Verifiable Paper Audit Trail (VVPAT) earlier this month. Thus, I am making these arrangements in conjunction with Antonio Mugica, Smartmatic's CEO, to best position both companies, our team members and all of our customers for future growth.

As you certainly know, Sequoia is one of the nation's leading providers of voting solutions, and we are confident there will be many potential buyers for our company. In fact, we have already had some interest! Sequoia has exceptional market share growth and the company's revenue has increased four-fold during our ownership by Smartmatic. It has the strongest product line in the market and it's considered by many to have the best customer service.

Sequoia's future is extremely bright and both Antonio and I are committed to building upon the great work that has been done by Sequoia during the last two years, as well as the last century.

If you have any questions at all about this matter, please don't hesitate to contact your Sales Representative, Account Manager, a member of our management team or myself. If you are asked any questions about this matter by members of the media and need assistance, please contact Michelle Shafer, Sequoia's Vice President of Communications & External Affairs at mshafer@sequoiavote.com or 800.347.4702.

Best wishes to you and your families for a happy holiday season and a joyous new year.

Best regards,



Jack A. Blaine
President
Sequoia Voting Systems