

Letter to Google, Inc. (1 of 2)

THOMAS P. DiNAPOLI
STATE COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

June 11, 2013

Dr. Eric Schmidt, Executive Board Chair
Google Inc.
1600 Amphitheatre Parkway
Mountain View, CA 94043

Dear Dr. Schmidt:

As the Comptroller of New York State, I am the administrative head of the New York State and Local Retirement System and the trustee of the New York State Common Retirement Fund ("Fund"). The Fund is a substantial investor in Google Inc. ("Google" or the "Company"); its portfolio currently includes more than 817,000 shares of Google stock with a market value of approximately \$711 million. I am writing to express my concern about the disturbing number of cell phone thefts and the prevailing perception that cell phone carriers and manufacturers are not doing enough to find a deterrent to this criminal activity.

Numerous media reports detail an alarming, widespread trend of violent and even deadly incidents in connection with the theft of so-called smartphones. This crime wave is fueled by a lucrative secondary market that accommodates the resale of the stolen phones. I understand that the existing nationwide database of stolen cell phones was intended to shrink the illicit component of the secondary market by enabling a stolen phone's unique identifying number to be tracked in order to prevent its reactivation. The inability to reactivate stolen phones was expected to eliminate the underlying motivation for such thefts. However, law enforcement officials point out that the unique identifiers are susceptible to modification, and stolen phones resold overseas evade the reach of the database. As a result, the database has not proven to be as effective as hoped. Many law enforcement agencies and elected officials are urging the industry to develop technology such as a "kill switch" that would render stolen phones inoperable.

Fairly or not, wireless industry leaders such as Google and its subsidiary Motorola Mobility ("Motorola") have been portrayed as disinterested when it comes to collaborating with law enforcement agencies in the effort to develop a meaningful technological solution that would effectively eliminate the secondary market in which criminal elements realize their profits. While the nationwide database is a step in the right direction, it is clear that more must be done to protect consumers.

Given the level of violence surrounding cell phone thefts, it seems obvious that consumers will seek to protect themselves and their finances by purchasing cell phones from the

Letter to Google, Inc. (2 of 2)

Dr. Eric Schmidt
June 11, 2013

company whose products afford the highest level of security. From a business perspective, I believe it can only benefit Google to assume a leadership role in the wireless industry's response to this problem.

As a shareholder, I am concerned by the continuing publicity surrounding cell phone crime, including references to Google and Motorola and their products, and the potential for a negative impact on the Fund's substantial investment in the Company. Recently, this matter has gained an even higher profile as certain elected officials, including New York State Attorney General Eric T. Schneiderman, have elevated the issue. I am aware of correspondence you received from Attorney General Schneiderman in which he has invoked his authority under certain of New York State's deceptive trade practice statutes after referencing Google and Motorola's public statements relating to safety and security for their customers. The Attorney General's letter also expressed that he would be "especially concerned if device theft accrues to your company's financial benefit through increased sales of replacement devices." Along these lines, the media has reported speculation that wireless industry companies are not motivated to help solve the problem because they profit from theft victims' need to replace stolen phones. Such a perception, regardless of its veracity, can only harm Google's reputation.

In light of all of the above, I would appreciate hearing from you as to what steps Google will take in order to protect its brand and assure public officials that it is acting responsibly. I urge you to position Google as a leader in working with law enforcement agencies and government officials to pursue a meaningful solution to this ongoing problem. Such action would send a reassuring message to shareholders and consumers alike.

Sincerely,



Thomas P. DiNapoli
New York State Comptroller

cc: John L. Hennessy, Independent Director
Google Inc.
1600 Amphitheatre Parkway
Mountain View, CA 94043

Dennis Woodside, CEO
Motorola Mobility
600 North U.S. Highway 45
Libertyville, IL 60048

Letter to Microsoft Corporation (1 of 2)

THOMAS P. DiNAPOLI
STATE COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

June 11, 2013

William H. Gates, Board Chair
Microsoft Corporation
One Microsoft Way
Redmond, WA 98052-6399

Dear Mr. Gates:

As the Comptroller of New York State, I am the administrative head of the New York State and Local Retirement System and the trustee of the New York State Common Retirement Fund ("Fund"). The Fund is a substantial investor in Microsoft Corporation ("Microsoft" or the "Company"); its portfolio currently includes more than 25 million shares of Microsoft stock with a market value of approximately \$877 million. I am writing to express my concern about the disturbing number of cell phone thefts and the prevailing perception that cell phone carriers and manufacturers are not doing enough to find a deterrent to this criminal activity.

Numerous media reports detail an alarming, widespread trend of violent and even deadly incidents in connection with the theft of so-called smartphones. This crime wave is fueled by a lucrative secondary market that accommodates the resale of the stolen phones. I understand that the existing nationwide database of stolen cell phones was intended to shrink the illicit component of the secondary market by enabling a stolen phone's unique identifying number to be tracked in order to prevent its reactivation. The inability to reactivate stolen phones was expected to eliminate the underlying motivation for such thefts. However, law enforcement officials point out that the unique identifiers are susceptible to modification, and stolen phones resold overseas evade the reach of the database. As a result, the database has not proven to be as effective as hoped. Many law enforcement agencies and elected officials are urging the industry to develop technology such as a "kill switch" that would render stolen phones inoperable.

Fairly or not, wireless industry leaders such as Microsoft have been portrayed as disinterested when it comes to collaborating with law enforcement agencies in the effort to develop a meaningful technological solution that would effectively eliminate the secondary market in which criminal elements realize their profits. While the nationwide database is a step in the right direction, it is clear that more must be done to protect consumers.

Given the level of violence surrounding cell phone thefts, it seems obvious that consumers will seek to protect themselves and their finances by purchasing cell phones from the

Letter to Microsoft Corporation (2 of 2)

William H. Gates
June 11, 2013

company whose products afford the highest level of security. From a business perspective, I believe it can only benefit Microsoft to assume a leadership role in the wireless industry's response to this problem.

As a shareholder, I am concerned by the continuing publicity surrounding cell phone crime, including references to Microsoft and its products, and the potential for a negative impact on the Fund's substantial investment in the Company. Recently, this matter has gained an even higher profile as certain elected officials, including New York State Attorney General Eric T. Schneiderman, have elevated the issue. I am aware of correspondence you received from Attorney General Schneiderman in which he has invoked his authority under certain of New York State's deceptive trade practice statutes after referencing Microsoft's public statements relating to safety and security for its customers. The Attorney General's letter also expressed that he would be "especially concerned if device theft accrues to your company's financial benefit through increased sales of replacement devices." Along these lines, the media has reported speculation that wireless industry companies are not motivated to help solve the problem because they profit from theft victims' need to replace stolen phones. Such a perception, regardless of its veracity, can only harm Microsoft's reputation.

In light of all of the above, I would appreciate hearing from you as to what steps Microsoft will take in order to protect its brand and assure public officials that it is acting responsibly. I urge you to position Microsoft as a leader in working with law enforcement agencies and government officials to pursue a meaningful solution to this ongoing problem. Such action would send a reassuring message to shareholders and consumers alike.

Sincerely,



Thomas P. DiNapoli
New York State Comptroller

cc: Reed Hastings, Independent Director
Microsoft Corporation
One Microsoft Way
Redmond, WA 98052-6399

Steven A. Ballmer, CEO
Microsoft Corporation
One Microsoft Way
Redmond, WA 98052-6399

Letter to Samsung Electronics Co. (1 of 2)

THOMAS P. DiNAPOLI
STATE COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

June 11, 2013

Dr. Oh-Hyun Kwon, CEO
Samsung Electronics Co.
Samsung Main Building 250-2 ga
Taepyung-ro
Seoul, 100-742
South Korea

Dear Dr. Kwon:

As the Comptroller of New York State, I am the administrative head of the New York State and Local Retirement System and the trustee of the New York State Common Retirement Fund ("Fund"). The Fund is a long-term investor in Samsung Electronics Co. Ltd. ("Samsung" or the "Company"); its portfolio currently includes more than 84,000 shares of Samsung stock with a market value of approximately \$115 million. I am writing to express my concern about the disturbing number of cell phone thefts and the prevailing perception that cell phone carriers and manufacturers are not doing enough to find a deterrent to this criminal activity.

Numerous media reports detail an alarming, widespread trend of violent and even deadly incidents in connection with the theft of so-called smartphones. This crime wave is fueled by a lucrative secondary market that accommodates the resale of the stolen phones. I understand that the existing nationwide database of stolen cell phones was intended to shrink the illicit component of the secondary market by enabling a stolen phone's unique identifying number to be tracked in order to prevent its reactivation. The inability to reactivate stolen phones was expected to eliminate the underlying motivation for such thefts. However, law enforcement officials point out that the unique identifiers are susceptible to modification, and stolen phones resold overseas evade the reach of the database. As a result, the database has not proven to be as effective as hoped. Many law enforcement agencies and elected officials are urging the industry to develop technology such as a "kill switch" that would render stolen phones inoperable.

Fairly or not, wireless industry leaders such as Samsung and its Samsung Telecommunications America division ("Samsung Telecommunications") have been portrayed as disinterested when it comes to collaborating with law enforcement agencies in the effort to develop a meaningful technological solution that would effectively eliminate the secondary market in which criminal elements realize their profits. While the nationwide database is a step in the right direction, it is clear that more must be done to protect consumers.

Letter to Samsung Electronics Co. (2 of 2)

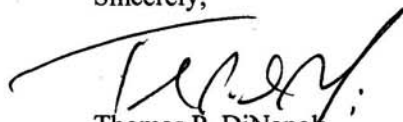
Dr. Oh-Hyun Kwon
June 11, 2013

Given the level of violence surrounding cell phone thefts, it seems obvious that consumers will seek to protect both themselves and their finances by purchasing cell phones from the company whose products afford the highest level of security. From a business perspective, I believe it can only benefit Samsung to assume a leadership role in the wireless industry's response to this problem.

As a shareholder, I am concerned by the continuing publicity surrounding cell phone crime, including references to Samsung and its products, and the potential for a negative impact on the Fund's substantial investment in the Company. Recently, this matter has gained an even higher profile as certain elected officials, including New York State Attorney General Eric T. Schneiderman, have elevated the issue. I am aware of correspondence that Samsung Telecommunications received from Attorney General Schneiderman in which he has invoked his authority under certain of New York State's deceptive trade practice statutes after referencing Samsung's public statements relating to safety and security for its customers. The Attorney General's letter also expressed that he would be "especially concerned if device theft accrues to your company's financial benefit through increased sales of replacement devices." Along these lines, the media has reported speculation that wireless industry companies are not motivated to help solve the problem because they profit from theft victims' need to replace stolen phones. Such a perception, regardless of its veracity, can only harm Samsung's reputation.

In light of all of the above, I would appreciate hearing from you as to what steps Samsung will take in order to protect its brand and assure public officials that it is acting responsibly. I urge you to position Samsung as a leader in working with law enforcement agencies and government officials to pursue a meaningful solution to this ongoing problem. Such action would send a reassuring message to shareholders and consumers alike.

Sincerely,



Thomas P. DiNapoli
New York State Comptroller

cc: Lee Kun Hee, Chairman
Samsung Electronics Co.
Samsung Main Building 250-2 ga
Taepyung-ro
Seoul, 100-742
South Korea

Dale Sohn, President
Samsung Telecommunications America
1301 East Lookout Drive
Richardson, TX 75082

Letter to Apple, Inc. (1 of 2)

THOMAS P. DiNAPOLI
STATE COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

June 11, 2013

Dr. Arthur D. Levinson, Board Chair
Apple, Inc.
1 Infinite Loop
Cupertino, CA 95014

Dear Dr. Levinson:

As the Comptroller of New York State, I am the administrative head of the New York State and Local Retirement System and the trustee of the New York State Common Retirement Fund ("Fund"). The Fund is a substantial investor in Apple, Inc. ("Apple" or the "Company"); its portfolio currently includes more than 2.88 million shares of Apple stock with a market value of approximately \$1.3 billion. I am writing to express my concern about the disturbing number of cell phone thefts and the prevailing perception that cell phone carriers and manufacturers are not doing enough to find a deterrent to this criminal activity. I have read with interest media reports regarding Apple's announcement of its new iOS feature – Activation Lock – that is intended to disable a stolen iPhone even when the phone is turned off or its data is erased. Apple's announcement is timely given the heightened attention surrounding cell phone thefts.

Numerous media reports detail an alarming, widespread trend of violent and even deadly incidents in connection with the theft of so-called smartphones. This crime wave is fueled by a lucrative secondary market that accommodates the resale of the stolen phones. I understand that the existing nationwide database of stolen cell phones was intended to shrink the illicit component of the secondary market by enabling a stolen phone's unique identifying number to be tracked in order to prevent its reactivation. The inability to reactivate stolen phones was expected to eliminate the underlying motivation for such thefts. However, law enforcement officials point out that the unique identifiers are susceptible to modification, and stolen phones resold overseas evade the reach of the database. As a result, the database has not proven to be as effective as hoped. Many law enforcement agencies and elected officials are urging the development of technology such as a "kill switch" that would render stolen phones inoperable.

Fairly or not, wireless industry leaders such as Apple have been portrayed as disinterested when it comes to collaborating with law enforcement agencies in the effort to develop a meaningful technological solution that would effectively eliminate the secondary market in which criminal elements realize their profits. While the nationwide database is a step in the right direction, it is clear that more must be done to protect consumers.

Letter to Apple, Inc. (2 of 2)

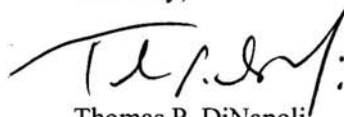
Arthur D. Levinson
June 11, 2013

Given the level of violence surrounding cell phone thefts, it seems obvious that consumers will seek to secure both their personal safety and personal finances by purchasing cell phones from the company whose products afford the highest level of security. From a business perspective, I believe it can only benefit Apple to assume a leadership role in the wireless industry's response to this problem.

As a shareholder, I am concerned by the continuing publicity surrounding cell phone crime, including references to Apple and its products, and the potential for a negative impact on the Fund's substantial investment in the Company. Recently, this matter has gained an even higher profile as certain elected officials, including New York State Attorney General Eric T. Schneiderman, have elevated the issue. I am aware of correspondence you received from Attorney General Schneiderman in which he has invoked his authority under certain of New York State's deceptive trade practice statutes after referencing Apple's public statements relating to safety and security for its customers. The Attorney General's letter also expressed that he would be "especially concerned if device theft accrues to your company's financial benefit through increased sales of replacement devices." Along these lines, the media has reported speculation that wireless industry companies are not motivated to help solve the problem because they profit from theft victims' need to replace stolen phones. Such a perception, regardless of its veracity, can only harm Apple's reputation.

I am encouraged by Apple's announcement of its Activation Lock and am hopeful that this innovation will prove to be the meaningful solution to the ongoing problem of cell phone theft. I would appreciate hearing from you as to whether you think the "Activation Lock" will indeed address the problem. Should the Activation Lock prove to be the "kill switch" that law enforcement agencies seek, Apple's action will have sent a reassuring message to shareholders and consumers alike.

Sincerely,



Thomas P. DiNapoli
New York State Comptroller

cc: Timothy Cook, Chief Executive Officer
Apple, Inc.
1 Infinite Loop
Cupertino, CA 95014