What makes Sorenson the industry leader in VRS?

1. Sorenson has recruited, trained and developed the vast majority of VRS capable interpreters and actively invests to grow the pool of interpreters for VRS and community work opportunities.

2. Sorenson is the “all-in” low cost VRS provider
   - lowest cost operational provider – due to explicit operational decisions, not due to scale
   - lowest cost including capital structure costs

3. Sorenson is the best managed VRS provider
   - best business and operational processes
   - most experienced and professional management team

4. Sorenson provides the greatest innovation for the deaf and hard of hearing

5. Sorenson is a transparent and ethical VRS provider

In summary, Sorenson has a very different business model from all other VRS providers:

<table>
<thead>
<tr>
<th>Sorenson</th>
<th>Other Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop deaf-centric endpoint</td>
<td>Deploy “off the shelf” endpoints</td>
</tr>
<tr>
<td>Seek new users &amp; provide VRS access</td>
<td>Take users away from Sorenson</td>
</tr>
<tr>
<td>Invest in growing VRS interpreter pool</td>
<td>Take interpreters from Sorenson</td>
</tr>
<tr>
<td>Support and service existing users</td>
<td>Provide minimal service</td>
</tr>
<tr>
<td>Provide lowest cost service</td>
<td>Zero incentive to lower cost of service</td>
</tr>
<tr>
<td>Leader in implementing FCC directives</td>
<td>Lag implementation and seek waivers</td>
</tr>
</tbody>
</table>
## Key Comparisons

<table>
<thead>
<tr>
<th>Quality</th>
<th>Sorenson Productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest Interpreter Productivity</td>
<td>✓</td>
</tr>
<tr>
<td>Lowest “Allowable” Cost/Minute</td>
<td>✓</td>
</tr>
<tr>
<td>Lowest “All-in” Cost/Minute</td>
<td>✓</td>
</tr>
<tr>
<td>Highest Ethical Behavior &amp; Integrity</td>
<td>✓</td>
</tr>
</tbody>
</table>
Lessons from 2010:

Sorenson could not survive another substantial rate cut
How Sorenson Addressed Its 2010 18% Rate Cut

- Sorenson faced the largest rate cuts of any provider in 2010 – approximately 18%. Providers that were exclusively in Tiers 1 and 2 had a 2010 rate cut of 3.5% (500,000 MOU) to 6.9% (50,000 MOU).
- Total Sorenson annual revenue reduction –
- Sorenson Cost reductions implemented –
- Additional Margin reduction –
Consequences of Sorenson's 2010 Cost-Cutting

- Video Interpreter Pool - Min / FTE

- March-10
- June-10
- September-10
- December-10
- March-11
- June-11
- September-11
- December-11
- March-12

HIGHLY CONFIDENTIAL INFORMATION SUBJECT TO SECOND PROTECTIVE ORDER IN CG DOCKET NOS. 03-123 AND 10-51 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION
Text redacted pink denote CONFIDENTIAL INFORMATION
Text redacted yellow denote HIGHLY CONFIDENTIAL INFORMATION