

PROPOSED DISTRIBUTION METHOD FOR REGISTRATION YEAR 2012

1. Current “distance from cap” method would be retained with a “performance based” overlay.
2. The performance based overlay would function as follows:
 - A) States with 90% or greater of their eligible carrier base registered would receive 100% of their calculated disbursement
 - B) States with 80% to 89.99% of their eligible carrier base registered would receive 75% of their calculated disbursement
 - C) States with 70% to 79.99% of their eligible carrier base registered would receive 50% of their calculated disbursement
 - D) States with less than 70% of their eligible carrier base registered would receive the lesser of: \$10,000; their calculated disbursement; or the amount necessary to bring them to their cap.
3. Any funds not disbursed pursuant to B, C, and D above will be held in the Depository until the next distribution.
4. No distribution will be made for the 2012 registration year until at least two thirds of states that have not reached their cap have achieved at least 70% registration of their eligible carrier base, or until January 1, 2013, whichever occurs earlier.
5. Once distributions have begun, they shall be made at least semi-annually and no more frequently than quarterly.
6. Any funds dispersed after January 1, 2015, for the 2012 registration year shall be dispersed using the current “distance from cap” method without regard to paragraph 2 above.