

Corporate Office

26201 Richmond Road
Bedford Heights, Ohio 44146
(216) 591-0150
Fax (216) 591-0471

EDELMAN
PLUMBING SUPPLY INC.

975 Crocker Road
Westlake, Ohio 44145
(440) 808-0315
Fax (440) 808-8638

Date: 7/31/2012

To: All Sales

From: Purchasing

Re: Drop Ship from Ferguson Stock Market and YOW (LCR).

The attached letter from the Stock Market explains their position on sales tax. Anything shipped to Edelman Plumbing Supply that we ship out of state is tax exempt. **California** and **Florida** are the two most populous states where we will be charged sales tax on **direct ship orders**. For the 13 states not on the exemption list, you must add a **"Drop Ship Charge"** of 7.75% of the merchandise total. Shipping and handling is in addition to the Drop Ship Charge.

See the purchasing department or Veda if you have any questions.



Dear Customer:

This letter serves as notice of the position of The Stock Market, regarding the taxation of products shipped on your behalf to your customer (i.e. Drop Shipments). Due to the fact that Ferguson has nexus (physical presence) in all 50 states and the District of Columbia, we are required by those jurisdictions to collect sales tax at the applicable state and local rates.

The only exceptions to this requirement are as follows:

1) You are exempt from sales tax in the state where product is being shipped and you have provided us with a valid certificate of exemption.

2) The state where the product is shipped does not charge sales tax: Alaska, Delaware, Montana, New Hampshire, and Oregon.

3) The product is shipped to one of the 37 states listed below that grant an exemption for resale provided you hold a valid Resale Exemption in the state in which you operate:

Alabama	Iowa	Nebraska	Oklahoma	Virginia
Arizona	Kansas	Nevada	Pennsylvania	Washington
Arkansas	Kentucky	New Jersey	Rhode Island	West Virginia
Colorado	Louisiana	New Mexico	South Carolina	Wisconsin
Georgia	Maine	New York	South Dakota	Wyoming
Idaho	Michigan	North Carolina	Texas	
Illinois	Minnesota	North Dakota	Utah	
Indiana	Missouri	Ohio	Vermont	

In all other states, Ferguson is required by law to charge you sales tax. Thank you for your understanding and cooperation. Please call me with any questions.

Sincerely,
Cherylann Jones
Credit and Collections
800.467.8625 x2693