

Sent: Wednesday, December 16, 2015 2:22 PM
To: Schueller, Shelly
Subject: Re: Q: re Newsweek article by David Cay Johnston

Thanks for your note, Shelly. I am happy to provide the following about the issues/questions raised in the Newsweek article referenced in your original message.

- We can certainly understand that highly speculative articles such as these can raise concerns.
- Please note that the New York Supreme Court dismissed the whistleblower lawsuit in question last month. The Court agreed with Vanguard's position that the former employee violated attorney-client privilege and New York state ethics rules in bringing the claim. As expected, an appeal has been filed. Nevertheless, we are confident that the appeals court will uphold the original decision. We are not aware of any other lawsuits on these issues.
- The news media has speculated about the potential for higher fees for Vanguard clients. Given our strong cash inflows and solid financial markets, we expect to continue to lower the cost of investing for our clients.
- Finally, we remain confident in our approach to paying our fair and appropriate amount of taxes.

I hope this helps to allay any concern, but am happy to answer any other questions you may have. Also, I will be sure to share any additional information as it becomes available in the future.

Best wishes for a Merry Christmas,

Bob

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Board	Mtg Date	Item #
DC	1.19.16	3c