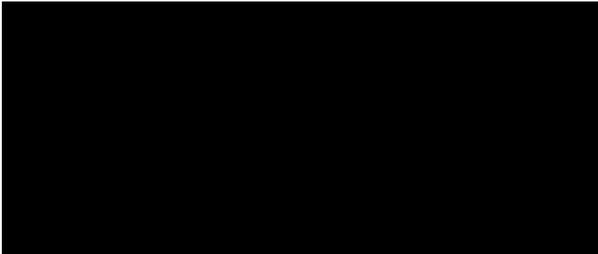


Verne, B. Michael

803.9  
802.51

From: [REDACTED]  
Sent: Tuesday, March 23, 2004 7:23 AM  
To: Verne, B. Michael  
Subject: Yesterday's conversation

Michael, as a follow up to yesterday's conversation about two UK companies merging , both with US assets, and our client being the acquired entity as a result of our client's shareholders holding 49% of the shares in the new company( our SH will receive shares in the other company in exchange for our client's shares) does it matter in terms of the size of the transaction ( and resulting fee) that the shares are not US voting securities. The client had sticker shock over the filing fee in light of the modest US presence( albeit high enough to require filing)



ADVISED THAT THE FILING FEE IS BASED ON  
THE VALUE OF V/S HELD AS A RESULT OF THE  
ACQUISITION. THE FOREIGN PORTION OF A V/S  
ACQUISITION CANNOT BE CARVED OUT UNLESS  
THE ENTIRE ACQUISITION IS EXEMPT UNDER 802.51.

B Michael Va  
3/23/03