

Verne, B. Michael

801-2

From: [REDACTED]
Sent: Friday, April 22, 2005 10:33 AM
To: Verne, B. Michael
Subject: Confirmation email

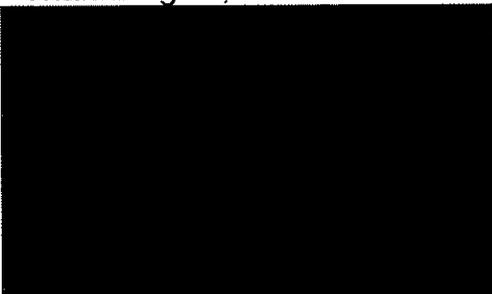
Dear Mike,

As a follow up confirmation to our discussions yesterday, we have provided below a more detailed description drafted by our transactional lawyers to ensure we included all the relevant facts for this transaction:

Company A agrees to acquire Company B for a fixed price, 70% of which will be in cash and 30% of which will be in Company A stock. The total stock consideration to Company B's stockholders will represent only a 27.6% economic interest, and a 5.7% voting interest, in Company A. Company B requires the stock received by its stockholders to be tax-free. To accomplish that, Company A will set up a new company (Holdco) that will have the same Board and senior management as Company A, as well as two "dummy subsidiaries." One dummy subsidiary will be eliminated by having it merge into Company A, and Company A's stockholders immediately before that merger will be identical to (and become) Holdco's stockholders immediately after that merger. After that merger, the other dummy subsidiary will be eliminated by having it merge into Company B (the acquired company) for the cash and stock consideration outlined above. Both Company A and Company B are their own UPEs.

Based upon the description of the transaction we gave to you over the phone, you indicated that any Company B stockholders receiving more than \$53.1 million of Holdco stock in the second merger will have an HSR filing obligation and that the same would be true for Company A stockholders in the first merger, even where there has been no change in stock ownership between Company A and Holdco. Could you let us know if there is any change to that analysis based upon the description above?

Thanks again,



AGREE - ANALYSIS IS THE SAME.
B. Michael
4/22/05

This electronic message is from a law firm.
It may contain confidential or privileged information.
If you received this transmission in error, please reply to the sender
to advise of the error and delete this transmission and any attachments.

