

Verne, B. Michael

801.10

From: [REDACTED]
Sent: Wednesday, April 05, 2006 1:16 PM
To: Verne, B. Michael
Subject: Exclusive License Valuation

Hi Mike,

In determining the value of an exclusive license I understand that you include the gross amount of future royalties, and that the future royalties are not discounted to present value. If the parties are unable to reasonably estimate the amount of future royalties is the value of the license the current FMV. With the FMV to be determined by the Acquiring Person's BOD within 60 days prior to closing (801.10(c)(3))?

Many thanks for your guidance.

*YES
Brucel
4/5/06*

To comply with IRS regulations, we advise you that any discussion of Federal tax issues in this e-mail was not intended or written to be used, and cannot be used by you, (i) to avoid any penalties imposed under the Internal Revenue Code or (ii) to promote, market or recommend to another party any transaction or matter addressed herein.

For more information please go to [REDACTED]

This email may contain material that is confidential, privileged and/or attorney work product for the sole use of the intended recipient. Any review, reliance or distribution by others or forwarding without express permission is strictly prohibited. If you are not the intended recipient, please contact the sender and delete all copies.

[REDACTED]