

801.10

Verne, B. Michael

From: [REDACTED]
Sent: Wednesday, July 19, 2006 12:06 PM
To: Verne, B. Michael
Subject: Warrant Question

Mike,

I have a quick question that requires your expertise. Here are the facts:

1. X acquires 50%+ of the voting securities of Target through the exercise of warrants.
2. The fair market value of the voting securities X will acquire through the exercise of warrants is above \$56.7 million.
3. The warrants allow X to purchase the voting securities for \$1.
4. Target is a non-public company. (801.10(a)(1) does not apply).
5. All size-of-the-person requirements are met.

Is the transaction reportable?

Thanks,
[REDACTED]

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[REDACTED]

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B Michael

7/19/06