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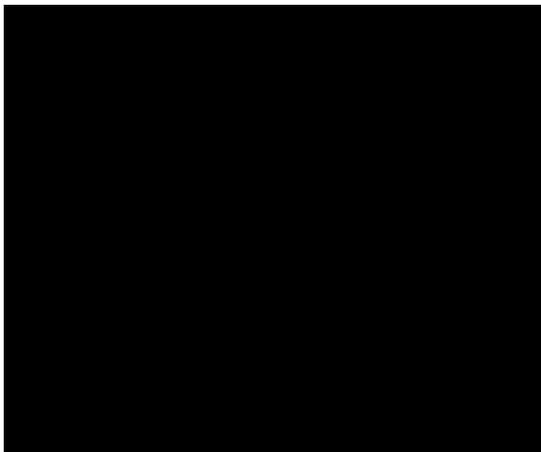
Verne, B. Michael

From: [REDACTED]
Sent: Tuesday, July 10, 2012 4:54 PM
To: Verne, B. Michael
Cc: [REDACTED]
Subject: guidance please - Investment Only Exemption

Hi Mike - Hoping that you can confirm that the "investment only exemption" will apply to the following fact pattern:

As an incentive to keep one of its officers, Company A makes a special arrangement whereby Officer X gets 10,000 RSU credits per month for every month he agrees to stay with the company for up to one year. The RSUs vest on Officer X's last day so effectively, he is an officer, one second later, the RSUs vest and one second later, he is no longer an employee of the company. Assume that Officer X will meet size of person and the size of transaction test is met at the moment the RSUs vest. We believe that the investment only exemption will apply since Officer X will no longer be an officer (involved in the management of the company) at the time that the size of transaction test is met.

I look forward to hearing from you. Many thanks.



AGREE - AS LONG AS X DOES NOT
ENGAGE IN NON-PASSIVE ACTIVITIES
AFTER LEAVING THE COMPANY
B.M.
7/10/12
K. WALSH CONCURS

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