

801.10

From: [REDACTED]
To: "mike verne" <mverne@nc.gov>
Date: 7/16/02 5:10PM
Subject: Valuation question

Hi Mike.

Company A executed a "forward purchase agreement" with individual B. Pursuant to the Agreement, Company A paid individual B \$125 million for the right to receive voting securities of Company C at some date in the future. That future date is now approaching and Company A will soon take delivery of the Company C stock. The current market value of the Company C stock to be received is \$13 million. Is Company A stuck with the "purchase price" of \$125 million that it paid years earlier for the right to receive this stock?

Thanks,

[REDACTED]

ADVISED THAT \$125 mm IS THE ACQUISITION PRICE.

B. Murchison
7/19/02