

801.15
802.31

[REDACTED]

July 9, 2003

By E-mail

Nancy M. Ovuka, Esq.
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Ms. Ovuka:

The purpose of this letter is to confirm the advice that you gave me by telephone on July 1, 2003. In our telephone conversation, I advised you that my client (Company A) plans to acquire, by merger, Company B. Because Company B is not a publicly traded company, we discussed the fact that, for valuation purposes, the value of the Company B shares that will be "acquired" as result of the merger, is equal to the value of the Company A shares that will be received by Company B's shareholders. I also advised you that several shareholders of Company B hold options to acquire additional shares of Company B, and that, as part of the plan of merger, those Company B stock options will be converted into options to acquire shares of Company A. I further advised you that the Company B shareholders who receive the Company A stock options will not exercise those options at the time of the merger. I asked you whether, for purposes of valuing the transaction, it is necessary to include the value of the Company A stock options that certain shareholders of Company B will receive in return for their Company B stock options. You advised me that, pursuant to HSR Rule 801.15, it would not be appropriate to include the value of those options because Company A is issuing those options as consideration for the Company B stock options, and the acquisition of stock options is exempt pursuant to HSR Rule 802.31.

Please let me know if, for any reason, the preceding summary of our conversation does not accurately convey the advice that you provided to me. As always, I very much appreciate your advice and assistance.

Very truly yours,

[REDACTED]

7/10
Confirmed advice
NMO
MV concurs

[REDACTED]