

Verne, B. Michael

---

From: [REDACTED]  
Sent: Monday, August 22, 2005 4:27 PM  
To: Verne, B. Michael  
Cc: [REDACTED]  
Subject: FW: Merger Question

Sorry if this seems basic. I can't believe I haven't encountered this before. In a merger, when you are determining the value of voting securities to be acquired, do you include the value going to holders of convertible securities (such as convertible subordinated notes and non-voting convertible preferred stock)? I am inclined to say no since the acquisition of these securities, while "voting securities" under the Act would be exempt from reporting. But I wanted to check. Thanks.

DO NOT INCLUDE CONVERTIBLE  
SECURITIES.

*B. Michael*  
8/30/05

\*\*\*\*\*  
IRS Circular 230 Notice (R&G)

To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. tax advice contained in this communication is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding U.S. tax penalties.

\*\*\*\*\*

This message and any attachments may be protected by the attorney/client privilege. If you believe that it has been sent to you in error, do not read, copy or distribute it. Please reply to the sender that you have received the message in error and then delete it. Thank you.