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Verne, B. Michael

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**From:** [REDACTED]  
**Sent:** Monday, November 30, 2009 7:20 PM  
**To:** Verne, B. Michael  
**Subject:** Conversion

Mike,

Company A will acquire Company B in a merger in which all of the outstanding shares of Company B will be exchanged for a combination of voting securities of Company A and cash. X holds voting securities of Company B and notes convertible into voting securities of Company B. X is represented on the Board of Company B.

Effective immediately prior to closing of the merger, X will convert its note into voting securities of Company B and immediately thereafter all of the voting securities of Company B will, pursuant to the merger agreement, be converted into voting securities of Company A and cash. X's acquisition of voting securities of Company A as a result of the merger will be exempt under Section 7A(c)(9) of the Act as an acquisition solely for the purpose of investment.

X's election to convert its notes will be conditioned on the merger being certain to happen and, in the event the merger does not happen, X's notice of exercise will be revoked and the conversion will not take place.

Under the circumstances, we assume that X's acquisition of Company B voting securities as a result of the conversion of the notes can be disregarded as a transitory step and will not be subject to the filing and waiting period requirements of the Act. Please confirm that our analysis is correct.

Many thanks,

AGREE  
BM  
12/1/09

[REDACTED]

[REDACTED]

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