

Verne, B. Michael

801-2

From: [REDACTED]  
Sent: Friday, February 10, 2012 2:58 PM  
To: Verne, B. Michael  
Subject: Involuntary Conversion

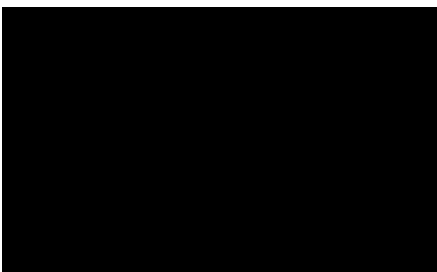
Mike,

Issuer has non-voting Depositary Shares outstanding, which represent a fractional interest in Issuer's non-voting Preferred Stock. The Preferred Stock is redeemable for cash at the option of Issuer at a specified redemption rate. The Depositary Shares are redeemable at the option of the Issuer for Preferred Stock, and convertible at the option of the holder to Issuer's Common Stock (which is a publicly traded voting security) at a specified conversion ratio.

Issuer exercises its right to redeem the Preferred Stock, which results in a simultaneous redemption of the Depositary Shares. Based on the pre-determined redemption value and conversion ratio, the cash value that a holder of Depositary Shares would receive if he allows the shares to be redeemed is only about 50% of the value of the Common Stock that he would receive if he instead converts the Depositary Shares. At this point the holder of Depositary Shares is therefore compelled to make a decision. Any economically rational holder of the Depositary Shares will elect to avoid the redemption (which gives him only 50% of the value) by converting to Common Stock -- a decision he had not voluntarily made prior to Issuer's exercise of its right to redeem the Preferred stock -- before the redemption becomes effective (which is presumably Issuer's expectation upon giving the redemption notice).

If Investor X (who has held the Depositary Shares for more than two years, i.e., he did not acquire them immediately prior to the redemption, in anticipation of such redemption) elects, in this context, to avoid the monetary loss resulting from the otherwise mandatory redemption, and to convert, should this be considered an (non-reportable) involuntary conversion of X's Depositary Shares into Common Stock, because it was caused by an action taken by Issuer and the "choice" to convert rather than take 50% of the value in cash is really illusory?

Thanks,



CONVERSION IS NOT  
INVOLUNTARY.  
GIVEN THE REDEMPTION NOTICE,  
IF HOLDER CHOOSES TO CONVERT  
TO COMMON STOCK, A FILING  
IS REQUIRED.

*[Signature]*  
2/13/12

\* \* \* \* \*  
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