

In connection with your decision to implement a new equity plan evaluation methodology, I would encourage you to revisit the manner in which you count vested deferred shares, phantom shares and other similarly structured full value equity awards in the overhang analysis. My understanding is that even though these awards are fully vested and retain no unexercised option value, they continue to be counted as "overhang" in the analysis of estimated Shareholder Value Transfer. This differs from the treatment of shares of restricted stock that have vested. From an economic and shareholder value perspective, there is no difference between a share of restricted stock that has vested and a phantom share that has vested but will not be settled (through the issuance of a fully vested share of common stock) until a later point in time. Both represent a fully vested right to one share of common stock. Accordingly, it would seem appropriate to treat these in the same manner for purposes of analyzing overhang (i.e., vested deferred shares, phantom shares and other similarly structured full value equity awards should **not** be considered as part of the overhang).

Thank you for your consideration of this matter.

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