



1776 K STREET NW
WASHINGTON, DC 20006
PHONE 202.719.7000
FAX 202.719.7049

7925 JONES BRANCH DRIVE
McLEAN, VA 22102
PHONE 703.905.2800
FAX 703.905.2820

www.wileyrein.com

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
JUN 25 2007

June 25, 2007

Jan Witold Baran
202.719.7330
jbaran@wileyrein.com

VIA HAND DELIVERY

AOR 2007-12

Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: Advisory Opinion Request

Dear Commissioners:

On behalf of Tyco International Management Company ("Tyco US") and its separate segregated fund Tyco International Management Company Employees Political Action Committee ("Tyco US PAC"), we respectfully request an advisory opinion from the Federal Election Commission ("FEC") pursuant to 2 U.S.C. § 437f, regarding disaffiliation after a proposed spin-off.

In short, the ultimate parent of Tyco US, Tyco International Ltd. ("Tyco International"), plans in the coming months to spin off two segments of its business into two independent, publicly-traded corporations: Covidien Ltd. ("Covidien") and Tyco Electronics Ltd ("Tyco Electronics"). These corporations each will wholly own an as yet unnamed U.S. subsidiary corporation, which, for purposes of this request, will be called Covidien US and Electronics US. Tyco US seeks assurances that the PACs connected to Covidien US and Electronics US will not be affiliated with Tyco US PAC immediately after the spin-off.

FACTS

Corporate Information. Tyco US is a wholly-owned indirect U.S. subsidiary of Tyco International, a Bermuda company. Tyco US is organized under the laws of Nevada and has its principal place of business in Princeton, New Jersey.

Planned Separation. On January 13, 2006, Tyco International announced that its board of directors had approved a plan to separate Tyco International into three independent, public-traded corporations, spinning off two of its Bermuda subsidiaries. The three corporations after the separation will be:

- Covidien
- Tyco Electronics
- Tyco International

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
2007 JUN 26 A 11:11



Federal Election Commission
June 25, 2007
Page 2

Post separation, stock in all three companies will be traded on the New York Stock Exchange and the Bermuda Stock Exchange.

As part of the separation, the healthcare assets of Tyco International will be placed into Covidien, and the electronics assets of Tyco International will be placed into Tyco Electronics. Tyco International will retain its fire and security and engineered products and services businesses. Tyco International, Covidien, and Tyco Electronics will be based in Bermuda, having been organized under Bermuda law. See Securities and Exchange Commission Fourth Amended Form 10 of Covidien (filed June 7, 2007) at 1-3 and Fourth Amended Form of Tyco Electronics (filed June 7, 2007) at 1-3.¹ See also TEL Information Statement (June 8, 2007) and COV Information Statement (June 8, 2007), available at www.tyco.com under "Investor Relations."

Each Tyco International shareholder² will receive Covidien and Tyco Electronics common shares at the dividend ratio prescribed by the Tyco International board of directors on June 29, 2007, for each common share of Tyco International held at the close of business on June 18, 2007. On the date of distribution, the shares will then be fully-tradable on the stock exchanges. At the time of distribution, the shareholders of Tyco International will own 100% of Covidien and Tyco Electronics. See, e.g., Covidien Fourth Amended Form 10 at 34. Tyco US expects the shares of each of the three companies to be vigorously traded on the date of separation and thereafter, resulting in a large number of different shareholders such that no single group of shareholders will hold a controlling interest in any combination of the corporations.

After the spin-off, no company will own any shares of either of the other companies or their subsidiaries. Also, no company will be able to participate in the governance

¹ These forms are available from Tyco's website at <http://www.tyco.com>, under "Investor Relations" and then "Separation Filings." The most relevant pages of these voluminous filings are as follows: Covidien – 1-4, 18-24, 29-44, 58-59, 124-131 and Tyco Electronics – 1-5, 16-22, 27-42, 56, 113-119.

² As of February 28, 2007, no institutional stockholder held more than 9.3% of the shares outstanding in Tyco International. See a list of institutional stockholders in Tyco International as of that date, attached hereto at Tab A.

Although Tyco International has two classes of stock, no preferred stock is issued or outstanding.

Federal Election Commission

June 25, 2007

Page 3

of the other two companies or their subsidiaries. None of the three corporations will have the same officers, and there will be minimal overlap on the boards of directors. One member of Tyco International's board will serve on the board of Tyco Electronics. In addition, the CFO of Tyco International will serve on the board of Covidien. *See, e.g.*, Tyco Electronics Fourth Amended Form 10 at 118-119 and Covidien Fourth Amended Form 10 at 132-151.

The three companies are parties to a Separation and Distribution Agreement, which relates to a variety of matters, including the following:

- The process for the share transactions necessary to effectuate the separation;
- The allocation of assets, liabilities, and obligations attributable to the period prior to the separation into three companies;
- The allocation of contingent liabilities;
- The allocation of corporate costs related to the separation;
- Releases and indemnifications;
- Employee matters, including benefits;
- Insurance;
- Records; and
- Intellectual Property.

See, e.g., Tyco Electronics Fourth Amended Form 10 at 113-118 and Covidien Fourth Amended Form 10 at 124-129. The three companies also are entering into a Tax Sharing Agreement and a Licensing Agreement. *See, e.g.*, Tyco Electronics Fourth Amended Form 10 at 118-119 and Covidien Fourth Amended Form 10 at 129-131.

Tyco US represents that no agreement among the companies or provision in any company bylaw or certificate of incorporation limits the ability of shareholders to control the corporations after the spin-off. For example, there are no staggered board terms, requirements for a supermajority to remove a board member, restrictions on who can serve as a director, or restrictions on the ability of the board to expand the size of the board without consent from the shareholders.

Further, no existing shareholder in Tyco International has the right to buy stock cheaply in Covidien or Tyco Electronics in order to avert a takeover. Certain

Federal Election Commission

June 25, 2007

Page 4

provisions in the bye-laws of Tyco Electronics and Covidien may reduce the likelihood of an unsolicited acquisition or change of control, but none relate to agreements among the three companies or the owners of the three companies. *See* Tyco Electronics Bye-laws at http://www.sec.gov/Archives/edgar/data/1385157/000104746907004771/a2178199zex-3_3.htm and Covidien Bye-laws at http://www.sec.gov/Archives/edgar/data/1385187/000104746907004770/a2178200zex-3_3.htm. *See also* a discussion of the bye-laws in TEL Information Statement at 25 and COV Information Statement at 27.

In anticipation of the separation transaction, each Bermuda company has formed a new holding company in Luxembourg to own directly and indirectly all of the operating subsidiaries. These companies are Tyco International Finance S.A. (“TIFSA”), Covidien International Finance S.A. (“CIFSA”), and Tyco Electronics Group S.A. (“TEGSA”). These holding companies currently share directors and executive officers, all of whom are employed by a component of Tyco International. *See, e.g.*, Tyco International Second Amended Form S-1 at 122, Tyco Electronics Second Amended Form S-1 at 143, and Covidien Second Amended Form S-1 at 154.³ Tyco US represents that this overlap and commonality of officers and directors among TIFSA, CIFSA, and TEGSA will not exist upon the separation. Tyco U.S. also represents that there will be no overlap or commonality of officers and directors among Tyco US, Covidien US and Electronics US. Finally, Tyco US represents that no officer or director of any of the three companies or their subsidiary will be a paid advisor or consultant to any other parent or subsidiary.

PAC Information. In anticipation of the corporate separation, Tyco US has created two new separate segregated funds, one for each business segment after the spin-off. The PACs are named Tyco International Management Company – Healthcare PAC (“Healthcare US PAC”) and Tyco International Management Company – Electronics PAC (“Electronics US PAC”) and are currently connected to Tyco US and affiliated with Tyco US PAC. At the time of separation, the two new PACs will move with the assets transferred to Covidien and Tyco Electronics, respectively, and will be connected to Covidien US and Electronics US. Tyco US represents that, post-separation, there will be no overlap among the personnel administering the

³ These forms were withdrawn by letter dated June 7, 2007. Nevertheless, these documents are still available on the Securities and Exchange Commission’s website at <http://www.sec.gov/edgar/searchedgar/companysearch.html>.

Federal Election Commission

June 25, 2007

Page 5

PACs. Finally, it is expected that all three PACs will operate within the constraints placed on foreign nationals found in federal law, the FEC's regulations, and FEC advisory opinions. *See* 2 U.S.C. § 441e(a); 11 C.F.R. § 110.20; FEC Advisory Opinions 2006-15, 2000-17 & 1999-28.

QUESTION PRESENTED

On the day of separation of Covidien and Tyco Electronics from Tyco International, will Tyco US be disaffiliated from Covidien US and Electronics US for purposes of Tyco US PAC, Healthcare US PAC, and Electronics US PAC?

DISCUSSION

Based on regulator factors of disaffiliation and the anticipated active trading in the stock of Tyco International, Covidien, and Tyco Electronics on the date of the separation and thereafter (based upon historical examples of similarly situated transactions), Tyco US will be disaffiliated upon separation from Covidien and Tyco Electronics and their U.S. subsidiaries.

1. Legal Background

The FEC's regulations identify ten factors that the Commission will consider when determining when a Federal PAC created in anticipation of a spin-off becomes disaffiliated from the Federal PAC of the parent corporation. *See* 11 C.F.R. § 110.3(a)(3)(ii). These affiliation factors are as follows:

- (A) Whether a sponsoring organization owns controlling interest in the voting stock or securities of the sponsoring organization of another committee;
- (B) Whether a sponsoring organization or committee has the authority or ability to direct or participate in the governance of another sponsoring organization or committee through provisions of constitutions, bylaws, contracts, or other rules, or through formal or informal practices or procedures;

Federal Election Commission

June 25, 2007

Page 6

(C) Whether a sponsoring organization or committee has the authority or ability to hire, appoint, demote or otherwise control the officers, or other decisionmaking employees or members of another sponsoring organization or committee;

(D) Whether a sponsoring organization or committee has a common or overlapping membership with another sponsoring organization or committee which indicates a formal or ongoing relationship between the sponsoring organizations or committees;

(E) Whether a sponsoring organization or committee has common or overlapping officers or employees with another sponsoring organization or committee which indicates a formal or ongoing relationship between the sponsoring organizations or committees;

(F) Whether a sponsoring organization or committee has any members, officers or employees who were members, officers or employees of another sponsoring organization or committee which indicates a formal or ongoing relationship between the sponsoring organizations or committees, or which indicates the creation of a successor entity;

(G) Whether a sponsoring organization or committee provides funds or goods in a significant amount or on an ongoing basis to another sponsoring organization or committee, such as through direct or indirect payments for administrative, fundraising, or other costs, but not including the transfer to a committee of its allocated share of proceeds jointly raised pursuant to 11 CFR 102.17;

(H) Whether a sponsoring organization or committee causes or arranges for funds in a significant amount or on an ongoing basis to be provided to another sponsoring organization or committee, but not including the transfer to a committee of its allocated



Federal Election Commission
June 25, 2007
Page 7

share of proceeds jointly raised pursuant to 11 CFR 102.17;

(I) Whether a sponsoring organization or committee or its agent had an active or significant role in the formation of another sponsoring organization or committee; and

(J) Whether the sponsoring organizations or committees have similar patterns of contributions or contributors which indicates a formal or ongoing relationship between the sponsoring organizations or committees.

11 C.F.R. §§ 100.5(g)(4)(ii), 110.3(a)(3)(ii). “In analyzing the significance of these factors, when presented with a request for the disaffiliation of companies, the Commission does not have a formula whereby the presence of a specific number of factors is sufficient or insufficient for continued disaffiliation.” FEC Advisory Opinion 1996-23 (“ITT AO”).

The Commission has addressed spin-off transactions on a number of occasions. In two advisory opinions, the Commission found the newly independent companies to be disaffiliated upon the completion of the spinoff. FEC Advisory Opinions 1996-42, 1993-23. In both situations, the spin-offs had been preceded by an initial public offering of stock of 12-14% or 18%. *Id.* See also FEC Advisory Opinion 1997-25 (finding GM and a spun-off company to be disaffiliated where non-GM shareholders already had certain ownership rights before the spin-off).

The Commission also found disaffiliation in an opinion that was requested a full six months after the transaction. ITT AO. In this instance, the Commission found disaffiliation because of a number of factors, including the fact that 65.7% and 57.8% of the shares of two of the three companies had been publicly traded by the time of the request. Moreover, the companies did not impose any bylaw or other provisions that attempted to prevent the shareholders of the new companies from exercising control over those corporations, although two individuals did serve on the boards of all three companies, along with some other overlaps. Finally, the directors of each company had been re-elected at a shareholder meeting following the spinoff.



Federal Election Commission
June 25, 2007
Page 8

In light of corporate provisions limiting the power of the new shareholders and consolidating corporate power into the hands of pre-selected boards of directors, the Commission found in two instances that the newly spun-off companies remained affiliated. FEC Advisory Opinions 1987-21 ("MAXUS opinion"), 1986-42 ("Kraft opinion"). In neither case did the requestors provide the Commission with any information about how quickly their common shareholder bases would be reduced, although each situation had other aspects of affiliation, such as, in the MAXUS opinion, one-third of the boards of directors overlapped for at least one year.

2. The Three Companies Would Not Be Affiliated After the Spin-off

Tyco International, Covidien, and Tyco Electronics, their U.S. subsidiaries, and the separate segregated funds connected to those U.S. subsidiaries will not be affiliated after the spin-off for two reasons. First, the relationship among the companies will be such that it does not have the attributes necessary under the FEC's regulations for affiliation. Second, Tyco US has provided incisive, historical information about the speed of diversification of a company's shareholder base and other aspects of the post-spin-off relationship – new facts that differentiate this request from corporate separations considered by the Commission in several previous advisory opinions.

(a) After the Spin-off, the Relationship among the Three Corporations Will Not Point to Affiliation

After the spin-off, each of the three companies will become independent, and the U.S. subsidiaries of each will be independent of the U.S. subsidiaries of the others. As a result of the separation described in the Forms S-1, it is clear that the relationship among the companies will not correspond to the regulatory affiliation factors. The post-spin off relationship easily can be described as follows:

- No company will own any part of any other company (11 C.F.R. § 100.5(g)(4)(ii)(A));
- No company will have the authority to direct or participate in the governance of any other company through provisions in bylaws, contracts, or other practices or procedures (*id.* § 100.5(g)(4)(ii)(B));
- No company will have the ability to hire, appoint, demote, or otherwise control the officers or employees of any other company because the boards



Federal Election Commission
June 25, 2007
Page 9

of directors will be independent and have extremely minimal overlap⁴ (*id.* § 100.5(g)(4)(ii)(C)); and

- There will be no overlapping members, officers, or employees, except for the fact that the CFO of Tyco International will initially serve on the board of Covidien (*id.* § 100.5(g)(4)(ii)(D)-(E)).

Moreover, the fact that former officers, directors, and employees of Tyco International and its various components may in the future serve in positions for the other two newly-independent corporations will be just a function of the division of a major corporation into three parts and does not indicate a formal or ongoing relationship since the corporations will be independent and have no plans to swap employees in the future. *See id.* § 100.5(g)(4)(ii)(F). Furthermore, any payments transferred among the three corporations will be governed by and subject to the various separation agreements discussed above, *see pp. 2-3, supra*, and will simply be part of the normal corporate separation process. The proposed payments do not indicate any formal or informal relationship. *See id.* § 100.5(g)(4)(ii)(G)-(H).

Finally, in some ways, it can be said that Tyco International had a significant role in the formation of Covidien and Tyco Electronics, but it is important to note that many of the corporate components of each corporation pre-dated their absorption into Tyco International.⁵ *See id.* § 100.5(g)(4)(ii)(I).

(b) The Shareholder Base Will Diversify Extremely Quickly

For one brief moment on the date of the separation, as the shares in Covidien and Tyco Electronics are distributed to the shareholders of Tyco International, the three independent companies will share a common shareholder base. Nevertheless, once that moment has passed, trading in the stock will be such that ample shareholder diversification will take place almost immediately, well within the first two weeks.

Reviewing Goldman Sachs data of past spin-off transactions, attached hereto at Tab B, it is apparent on page 9 that the average daily volume of shares trading on the

⁴ One member of Tyco International's board will serve on the board of Covidien.

⁵ *See, e.g.*, COV Information Statement at 100. We do not address 11 C.F.R. § 100.5(g)(4)(ii)(J) since the Healthcare US PAC and Electronics US PAC have not made any contributions as of the date of the filing, and there is no contemplation of their making any contributions before the spin-off is consummated.

Federal Election Commission

June 25, 2007

Page 10

market is significantly higher in post-spin-off time periods compared with trading volume at the time of the spin-off. (A plain-language description of the Goldman Sachs data is attached hereto at Tab C.) Over the last several years, average daily trading after spin-offs equaled, on average, 3.0% of the shares outstanding in the relevant spun-off companies. (The median of the transactions studied is 2.3%.) This means that by the end of the first business week after a spin-off, on average 15% of the outstanding shares could have changed hands (or 11.5% at the median). By the end of the second week, transactions could touch over 23% of the stock outstanding (18.5% at the median) based upon the average daily trading volume.

Of course, the average daily trading data does not necessarily mean that different shares from different owners are traded each day. Instead, some of the same shares could be churned several times. Other data, however, reinforce the fact that a substantial amount of the shares traded in a post-spin-off situation comes from different sources. For example, in the ten calendar days after the December 21, 2005, spin-off of Live Nation from Clear Channel (seven trading days), cross ownership of the two companies fell dramatically. The top 25 post-transaction active institutional holders of Clear Channel, holding 72% of Clear Channel on December 31, 2005, held only 58% of Live Nation after the ten days had passed. (See page 4 of Tab B.) The top 25 active institutional holders of Live Nation (constituting 80% of Live Nation's shares) held only 61% of Clear Channel. (See *id.*) The top 25 active institutional holders of the parent Clear Channel (CCU) on September 30, 2005, (*i.e.*, before the separation) only held 55.1% of Live Nation at the end of the year, rather than 72.7% at the beginning of the fourth quarter. (See page 3 of Tab B.) This figure fell to 23.2% by the end of the first quarter of 2006. (See page 5 of Tab B. See also page 6 of Tab B (showing further declines in post-transaction cross-ownership as of March 31, 2006).)

In another case, where three companies were formed out of the original parent Cendant (similar to the present case), ownership by the top 25 active institutional shareholders in the parent dropped from 50.3% at the beginning of the quarter before the spin-off to 18.5%, 37.3% and 33.8% at the end of the quarter, a mere two months after the spinoff. (See page 1 of Tab B.) An analysis of cross-ownership two months after the separation shows dramatic changes as well. The top 25 active institutional holders of Avis Budget two months after the transaction held only 23% of Realogy and 26% of Wyndham. (See page 2 of Tab B.) The top 25 active institutional shareholders of Realogy owned 24% of Avis Budget and 46% of

Federal Election Commission

June 25, 2007

Page 11

Wyndham, and the top shareholders of Wyndham only owned 27% and 49% of the other two. (*See id.*)

This recent transaction data from Goldman Sachs highlights the fluidity of the markets. For the type of transaction being contemplated by Tyco International, there is no reason to expect shareholder diversification and trading volume to fall short of the historical averages provided by Goldman Sachs. Instead, within a very short time, the shareholders of the three companies will become diverse, at least to the level of the 12-14% IPO considered in FEC Advisory Opinion 1993-23, with more and substantial diversification still to come. The fact that each independent company will compete in different markets will only energize the shareholders as they look to alter their holdings. Because of the rapidity of the share turnover, it can be said that after the separation transaction, the three companies will not have common ownership for relevant purposes.

(c) The Tyco Separation Is Not Like the Kraft or MAXUS Transactions

The Commission has considered two spin-off transactions in the past that have not involved a preceding IPO. The proposed Tyco separation differs from these two transactions in two substantial ways.

First, there are no agreements among the three companies, no bylaw provisions, and no provisions in the certificates of incorporation that restrict the ability of the shareholders to control any of the three independent companies while also giving some priority or entrenchment to Tyco International, Covidien, or Tyco Electronics. This was not the case in either the Kraft or MAXUS transactions. There, the Commission pointed out, and based its opinions of affiliation upon, the anti-takeover restrictions enacted at or before separation that served to limit the control of any new shareholders and to entrench board members appointed by the old company. Moreover, in the MAXUS case, a full one-third of the board of the new company overlapped with the original parent. Here, there is no such entrenchment or overlap.

Second, while Tyco US cannot state that stock ownership has significantly diverged—since the separation is still in the future—it has presented data from Goldman Sachs that indicates how rapidly shareholder diversification took place in similar transactions. Instead of waiting for confirmation that the public markets operated as they ought and promoted vigorous trading in the shares of the three



Federal Election Commission
June 25, 2007
Page 12

independent companies—as in the case of ITT when it submitted its advisory opinion request six months after the separation and provided adequate churn data—the Commission is now in a position to rely on concrete data as to how separation transactions are greeted by real-world 2007 markets with highly sophisticated institutional interests and around-the-clock trading around the world. The requestors from Kraft and MAXUS made no such attempt to quantify prevailing market activity, and such an attempt would have been pointless given their other substantial factors of affiliation.

CONCLUSION

From the Goldman Sachs data, it is clear that the shareholder base of each of the three Tyco companies will change the minute the new shares are issued and the companies are separated. It also is clear that the shareholders of the three companies will rapidly diversify thereafter, attaining material differences within a few days or weeks. Given the minimal board overlap, the absence of any structural measures to perpetuate control by former parent or sister corporations, and the other factors of disaffiliation, the Commission should find Tyco US disaffiliated on the date of the spin-off from Electronics US and Covidien US and, as a result, should find Tyco US PAC disaffiliated from Healthcare US PAC and Electronics US PAC.

Sincerely,

A handwritten signature in black ink, appearing to read "Jan Witold Baran".

Jan Witold Baran
D. Mark Renaud

June 25, 2007

TAB A

Top Institutional Shareholders

Rank	Institution	Current Position 2/28/07	% of S/O	Change last six months	Change since January 2006	Style
1	Capital Research & Management Co.	184,000,000	9.3%	3,060,000	2,795,000	Core Value
2	Davis Selected Advisers, L.P.	132,000,000	6.7%	8,490,000	4,653,000	GARP
3	Legg Mason Capital Management, Inc.	94,000,000	4.8%	(4,825,000)	(2,500,000)	GARP
4	Fidelity Management & Research (US)	73,000,000	3.7%	29,125,000	(1,620,000)	GARP
5	ClearBridge Advisors	60,000,000	3.0%	6,230,000	4,827,000	GARP
6	Dodge & Cox	60,000,000	3.0%	6,500,000	7,000,000	Deep Value
7	T. Rowe Price Associates, Inc.	54,000,000	2.7%	28,975,000	3,175,000	GARP
8	Vanguard Group, Inc.	53,300,000	2.7%	2,625,000	1,300,000	Index
9	State Street Global Advisors (U.S.)	47,500,000	2.4%	275,000	(522,000)	Index
10	Barclays Global Investors, NA	37,400,000	1.9%	(120,000)	(320,000)	Index
11	Hotchkis and Wiley Capital Management, LLC	36,000,000	1.8%	150,000	100,000	Yield
12	Templeton Investment Counsel, L.L.C.	35,000,000	1.8%	(3,485,000)	(3,648,000)	Core Value
13	Franklin Mutual Advisers, LLC	29,500,000	1.5%	4,750,000	2,500,000	Deep Value
14	Harris Associates L.P.	28,500,000	1.4%	(7,500,000)	(1,700,000)	Core Value
15	AIM Management Group, Inc.	24,000,000	1.2%	100,000	1,000,000	Momentum
16	Brandes Investment Partners, LP	21,700,000	1.1%	(1,740,000)	(1,476,000)	Core Value
17	MFS Investment Management	20,900,000	1.0%	(1,000,000)	3,652,000	Core Growth
18	Wellington Management Company, L.L.P.	20,800,000	1.0%	(3,725,000)	(2,500,000)	Core Value
19	Putnam Investment Management, L.L.C.	17,900,000	0.9%	(7,135,000)	(5,000,000)	Core Growth
20	Orbis Investment Management Ltd.	13,000,000	0.7%	1,400,000	500,000	Deep Value
21	Government of Singapore Investment Corporation	12,610,000	0.6%	0	0	Core Growth
22	Northern Trust Investments, N.A.	12,558,000	0.6%	(1,048,384)	0	Index
23	Citigroup Investment Research (US)	12,306,000	0.6%	(61,000)	(500,000)	Broker-Dealer
24	BlackRock Investment Management, LLC	12,300,000	0.6%	(7,000,000)	(200,000)	Deep Value
25	Amhold and S. Bleichroeder Advisers, LLC	11,500,000	0.6%	(1,165,000)	(500,000)	GARP
26	CCMP Capital Advisors, LLC	10,541,300	0.5%	0	0	VC/Private Equity
27	Deutsche Investment Management Americas, Inc.	10,500,000	0.5%	(875,000)	(1,100,000)	Core Value
28	Pzena Investment Management, LLC	10,400,000	0.5%	3,225,000	(600,000)	Core Value
29	Berkshire Hathaway Inc.	10,000,000	0.5%	0	0	GARP
30	Wallace R. Weitz & Company	10,000,000	0.5%	(1,385,000)	579,000	GARP
31	Janus Capital Management LLC	9,500,000	0.5%	(4,500,000)	(227,000)	Aggres. Gr.

Top Institutional Shareholders

Rank	Institution	Current Position 2/28/07	% of S/O	Change last six months	Change since January 2006	Style
32	Iridian Asset Management LLC	8,800,000	0.4%	(1,496,000)	(1,296,000)	Core Value
33	Mellon Private Wealth Management	8,500,000	0.4%	(370,000)	0	Index
34	Dreman Value Management, L.L.C.	8,013,000	0.4%	313,000	0	Core Value
35	Genode Capital Management, L.L.C.	8,000,000	0.4%	356,000	101,000	Index
36	U.S. Trust Company N.A.	7,600,000	0.4%	(95,000)	9,000	Core Value
37	AllianceBernstein LP	7,500,000	0.4%	(935,000)	(1,074,000)	Core Growth
38	American Century Investment Mgmt.	7,500,000	0.4%	4,700,000	2,383,000	Momentum
39	Goldman Sachs Asset Management (US)	7,500,000	0.4%	3,735,000	585,000	Core Growth
40	Tudor Investment Corporation	7,278,000	0.4%	1,228,000	0	GARP
41	TCW Asset Management Company	7,250,000	0.4%	6,900,000	803,000	Core Growth
42	Lehman Brothers Inc.	7,205,000	0.4%	2,205,000	1,000,000	Broker-Dealer
43	Barclays Global Investors (UK) Limited	7,200,000	0.4%	474,539	397,000	Index
44	J.P. Morgan Investment Management Inc. (New York)	6,800,000	0.3%	(393,757)	300,000	GARP
45	Quantitative Management Associates, LLC	6,800,000	0.3%	1,275,000	1,275,000	Index
46	New York State Common Retirement System	6,700,000	0.3%	(325,000)	(325,000)	Index
47	Armstrong Shaw Associates, Inc.	6,500,000	0.3%	(1,699,000)	(1,100,000)	Core Value
48	Glenview Capital Management, L.L.C.	6,500,000	0.3%	6,500,000	(3,900,000)	Growth
49	Evergreen Investment Management Company, LLC	6,200,000	0.3%	577,000	300,000	Growth
50	OppenheimerFunds, Inc.	6,200,000	0.3%	4,800,000	(699,000)	GARP
		1,300,161,300	65.8%	77,090,398	8,427,000	

June 25, 2007

TAB B



Project Pearl
Shareholder Analysis for Selected Precedent Spins

Goldman, Sachs & Co.
January 2007

Cendant Ownership Pre- / Post-Transaction (July 31, 2006)

June 30, 2006 Cendant Ownership vs. September 30, 2006 Stand Alone Company Ownership

(US\$ in millions)

Top Holders of Cendant Pre-Transaction vs. Stand Alone Companies Post Transaction

Investor	June 30, 2006			September 30, 2006		
	Pos.	% Active Inst. Holders	Cendant (\$16.3bn market cap)	Pos.	% Active Inst. Holders	Wyndham (\$5.6bn)
			Avis Budget (\$1.8bn)			Realty (\$5.7bn)
Hotchis and Wiley Capital Management, LLC	\$ 489	4.9%	\$ 121	6.8%	\$ 164	3.8%
UBS Global Asset Management (Americas), Inc.	466	4.6%	1	0.1%	217	5.1%
OppenheimerFunds, Inc.	358	3.6%	37	2.1%	118	2.8%
Fidelity Management & Research	315	3.1%	0	0.0%	42	1.0%
Armstrong Shaw Associates, Inc.	235	2.3%	0	0.0%	77	1.8%
Putnam Investment Management, L.L.C.	234	2.3%	4	0.2%	79	1.8%
ABP Vermogenbeheer	219	2.2%	32	1.8%	73	1.7%
Goldman Sachs Asset Management (US)	207	2.1%	1	0.0%	70	1.6%
Franklin Mutual Advisers, LLC	206	2.0%	24	1.3%	74	1.7%
Cambiar Investors LLC	176	1.7%	0	0.0%	69	1.6%
Goldman Sachs & Company, Inc.	176	1.7%	5	0.3%	119	2.8%
AIM Management Group, Inc.	175	1.7%	0	0.0%	57	1.3%
Nordea Investment Management (Denmark)	165	1.6%	0	0.0%	4	0.1%
Morgan Stanley Investment Management Inc. (US)	162	1.6%	16	0.9%	51	1.2%
Ariel Capital Management, L.L.C.	160	1.6%	0	0.0%	132	3.1%
Farallon Capital Management, L.L.C.	149	1.5%	14	0.8%	72	1.7%
Alex. Brown Investment Management	145	1.4%	19	1.1%	37	0.9%
Citigroup Investment Research (US)	145	1.4%	14	0.8%	44	1.0%
Equinox Capital Management, LLC	141	1.4%	0	0.0%	48	1.1%
BNP Paribas Asset Management S.A.S.	133	1.3%	0	0.0%	0	0.0%
Neuberger Berman, LLC	132	1.3%	0	0.0%	0	0.0%
Flippin, Bruce & Porter, Inc.	126	1.2%	15	0.9%	45	1.1%
UBS Global Asset Management (Switzerland)	125	1.2%	16	0.9%	1	0.0%
Pirate Capital, L.L.C.	113	1.1%	0	0.0%	0	0.0%
Universal-Investment-Gesellschaft mbH	112	1.1%	13	0.7%	0	0.0%
Top 25 Cendant Holders (Pre-Transaction)	\$5,074	50.3%	\$331	18.5%	\$1,591	37.3%
						\$1,427
						33.8%

Source: Thomson Financial

Cross-Ownership of Cendant Stand Alone Companies

As of September 30, 2006, Post-Separation Transaction (July 31, 2006)

(US\$ in millions)

Top Holders of Avis Budget (CAR)

Investor	CAR Pos.	H Pos.	WYN Pos.
Hotchkins and Wiley Capital Mgmt, LLC	\$121	\$164	\$178
BlackRock Financial Management (ML)	72	0	0
Braun, von Wyss & Müller AG	59	0	0
OSS Capital Management, L.L.C.	57	47	94
New Jersey Division of Investment	46	0	0
Norges Bank	45	0	0
OppenheimerFunds, Inc.	37	118	120
Robeco Institutional Asset Mgmt B.V.	34	0	0
Nordea Investment Mgmt AB (Sweden)	33	0	0
ABP Vermogensbeheer	32	73	75
Franklin Mutual Advisers, LLC	24	74	73
IMS Capital Management	21	0	0
College Retirement Equities Fund	21	29	30
Alex. Brown Investment Management	19	37	47
CDP Capital, Inc.	19	0	0
Caxton Associates, L.L.C.	17	5	3
Morgan Stanley Investment Mgmt (US)	16	51	30
UBS Global Asset Mgmt (Switzerland)	16	1	1
Renaissance Technologies Corp.	16	0	0
Flippin, Bruce & Porter, Inc.	15	45	72
MMA Finance	15	0	0
Citigroup Investment Research (US)	14	44	44
Employees Retirement System of Texas	14	0	0
Teacher Retirement System of Texas	14	7	10
Farallon Capital Management, L.L.C.	14	72	61
Top 25 CAR Holders	\$792	\$766	\$837
% of Total Active Institutional Holders	55%	23%	26%

Top Holders of Realogy (H)

Investor	CAR Pos.	H Pos.	WYN Pos.
UBS Global Asset Mgmt (Americas)	\$1	\$217	\$184
Hotchkins and Wiley Capital Mgmt, LLC	121	164	178
Ariel Capital Mgmt, L.L.C.	0	132	0
Goldman Sachs & Company, Inc.	5	119	55
OppenheimerFunds, Inc.	37	118	120
Icahn & Company	0	102	62
Putnam Investment Management, L.L.C.	4	79	67
Armstrong Shaw Associates, Inc.	0	77	76
Omega Advisors, Inc.	7	76	39
Franklin Mutual Advisers, LLC	24	74	73
ABP Vermogensbeheer	32	73	75
Farallon Capital Management, L.L.C.	14	72	61
Goldman Sachs Asset Mgmt (US)	1	70	12
Cambiar Investors LLC	0	69	73
Seneca Capital Advisors, L.L.C.	0	58	76
Wesley Capital Management L.L.C.	0	57	0
AIM Management Group, Inc.	0	57	26
Okumus Capital, L.L.C.	13	52	42
PPM America, Inc.	0	52	0
Morgan Stanley Investment Mgmt (US)	16	51	30
RS Investments	0	50	0
Equinox Capital Management, LLC	0	48	48
OSS Capital Management, L.L.C.	57	47	94
Flippin, Bruce & Porter, Inc.	15	45	72
The Boston Company Asset Mgmt, LLC	4	45	30
Top 25 H Holders	\$350	\$2,001	\$1,483
% of Total Active Institutional Holders	24%	59%	46%

Top Holders of Wyndham (WYN)

Investor	CAR Pos.	H Pos.	WYN Pos.
UBS Global Asset Mgmt (Americas)	\$1	\$217	\$184
Hotchkins and Wiley Capital Mgmt, LLC	121	164	178
OppenheimerFunds, Inc.	37	118	120
BNP Paribas Asset Management S.A.S.	0	0	95
OSS Capital Management, L.L.C.	57	47	94
Armstrong Shaw Associates, Inc.	0	77	76
Seneca Capital Advisors, L.L.C.	0	58	76
ABP Vermogensbeheer	32	73	75
Cambiar Investors LLC	0	69	73
Franklin Mutual Advisers, LLC	24	74	73
Flippin, Bruce & Porter, Inc.	15	45	72
Putnam Investment Management, L.L.C.	4	79	67
Icahn & Company	0	102	62
Farallon Capital Management, L.L.C.	14	72	61
Citadel Investment Group, L.L.C.	13	0	61
Ivory Investment Management, L.P.	0	0	59
Goldman Sachs & Company, Inc.	5	119	55
Nordea Investment Mgmt (Denmark)	0	4	48
Equinox Capital Management, LLC	0	48	48
Alex. Brown Investment Management	19	37	47
Citigroup Investment Research (US)	14	44	44
Fidelity Management & Research	0	42	43
UBS Securities LLC	9	34	43
Okumus Capital, L.L.C.	13	52	42
Omega Advisors, Inc.	7	76	39
Top 25 WYN Holders	\$385	\$1,650	\$1,833
% of Total Active Institutional Holders	27%	49%	56%

Source: Thomson Financial

CCU Ownership Pre- / Post-Transaction (December 21, 2005)

September 30, 2005 CCU Ownership vs. December 31, 2005 Stand Alone Company Ownership

(US\$ in millions)

Top Holders of Clear Channel Pre-Transaction vs. Stand Alone Companies Post Transaction

Investor	September 30, 2005			December 31, 2005		
	Clear Channel (\$17.8bn market cap)	% Active Inst. Holders	Position	Clear Channel (\$17.8bn)	% Active Inst. Holders	Live Nation (\$0.9bn)
Fidelity Management & Research	\$ 2,376	19.3%		\$ 2,426	19.1%	\$ 133
Capital Research & Management Company	2,135	17.3%		1,895	14.9%	55
Van Kampen Asset Management Inc.	862	7.0%		958	7.6%	23
Goldman Sachs Asset Management	387	3.0%		384	3.0%	6
UBS Global Asset Management, Inc.	318	2.6%		451	3.6%	23
Franklin Mutual Advisers, LLC	310	2.5%		308	2.4%	0
Arnhold and S. Bleichroeder Advisers, LLC	263	2.1%		163	1.3%	8
Morgan Stanley Investment Management Inc.	239	1.9%		255	2.0%	10
Janus Capital Management LLC	206	1.7%		109	0.9%	6
TCW Asset Management Company	184	1.5%		213	1.7%	1
Capital Guardian Trust Company	165	1.3%		226	1.8%	7
Pioneer Investment Management, Inc.	163	1.3%		172	1.4%	0
Alex. Brown Investment Management	152	1.2%		151	1.2%	8
The Boston Company Asset Management, LLC	143	1.2%		99	0.8%	0
AIM Tristar Investments	118	1.0%		117	0.9%	6
College Retirement Equities Fund	116	0.9%		125	1.0%	6
Torrey, LLC	113	0.9%		78	0.6%	0
Lazard Asset Management, L.L.C.	106	0.9%		105	0.8%	1
John W. Bristol & Company, Inc.	101	0.8%		107	0.8%	0
UBS Securities LLC	100	0.8%		58	0.5%	1
UBS Global Asset Management (Switzerland)	89	0.7%		110	0.9%	1
Merrill Lynch & Company, Inc.	89	0.7%		45	0.4%	0
Dimensional Fund Advisers, Inc.	84	0.7%		84	0.7%	4
John W. Bristol & Company, Inc.	80	0.6%		79	0.6%	4
Noonday Asset Management, L.P.	78	0.6%		78	0.6%	0
Top 25 Clear Channel Holders (Pre-Transaction)	\$8,954	72.7%		\$8,799	69.4%	\$302

Source: Thomson Financial

Cross-Ownership of Clear Channel & LiveNation

As of December 31, 2005, Post-Separation Transaction (December 21, 2005)

(US\$ in millions)

Top Holders of Clear Channel (CCU)

Investor	CCU Pos.	LYV Pos.
Fidelity Management & Research	\$ 2,426	\$ 133
Capital Research & Management Company	1,885	55
Van Kampen Asset Management Inc.	958	23
UBS Global Asset Management (Americas), Inc.	451	23
Goldman Sachs Asset Management (US)	384	6
Franklin Mutual Advisers, LLC	308	0
Morgan Stanley Investment Management Inc. (US)	255	10
Capital Guardian Trust Company	226	7
dbi Allianz Dresdner Global Investors	221	0
TCW Asset Management Company	213	1
Pioneer Investment Management, Inc.	172	0
Arnhold and S. Bleichroeder Advisers, LLC	163	8
Alex. Brown Investment Management	151	8
ClearBridge Advisers	141	6
Lord, Abbett & Co. LLC	138	0
D. E. Shaw & Co., L.P.	129	9
College Retirement Equities Fund	125	6
AIM Trimark Investments	117	6
UBS Global Asset Management (Switzerland)	110	1
Janus Capital Management LLC	109	6
UBS Global Asset Management (UK) Ltd.	107	0
Lazard Asset Management, L.L.C.	105	1
The Boston Company Asset Management, LLC	99	0
Dimensional Fund Advisers, Inc.	84	4
INVECO Capital Management Inc.	81	4
Top 25 CCU Holders	\$ 9,171	\$ 316
% of Total Active Institutional Holders	72%	58%

Top Holders of Live Nation (LYV)

Investor	CCU Pos.	LYV Pos.
Fidelity Management & Research	\$ 2,426	\$ 133
Capital Research & Management Company	1,885	55
UBS Global Asset Management (Americas), Inc.	451	23
Van Kampen Asset Management Inc.	958	23
Greenlight Capital, Inc.	0	23
Och-Ziff Capital Management, L.P.	30	21
Norges Bank	45	21
Loomis, Sayles & Company, L.P.	0	16
Viking Global Investors, LP	0	15
Morgan Stanley Investment Management Inc. (US)	255	10
OSS Capital Management, L.L.C.	0	9
D. E. Shaw & Co., L.P.	129	9
Arnhold and S. Bleichroeder Advisers, LLC	163	8
Alex. Brown Investment Management	151	8
Citadel Investment Group, L.L.C.	0	8
Teacher Retirement System of Texas	55	7
Capital Guardian Trust Company	226	7
College Retirement Equities Fund	125	6
AIM Trimark Investments	117	6
ClearBridge Advisers	141	6
Janus Capital Management LLC	109	6
Goldman Sachs Asset Management (US)	384	6
Columbia Management Advisors, Inc.	59	5
Gracie Capital, L.L.C.	0	5
Kir, Marbach & Company, LLC	0	4
Top 25 LYV Holders	\$ 7,721	\$ 438
% of Total Active Institutional Holders	61%	80%

Source: Thomson Financial

CCU Ownership Pre- / Post-Transaction (December 21, 2005)

September 30, 2005 CCU Ownership vs. March 31, 2006 Stand Alone Company Ownership

(US\$ in millions)

Top Holders of Clear Channel Pre-Transaction vs. Stand Alone Companies Post Transaction

Investor	September 30, 2005			March 31, 2006		
	Clear Channel (\$17.8bn market cap)	% Active Inst. Holders	Position	Clear Channel (\$16.0bn)	% Active Inst. Holders	Live Nation (\$1.3bn)
Fidelity Management & Research	\$ 2,376	19.3%		\$ 2,001	18.3%	\$ 158
Capital Research & Management Company	2,135	17.3%		1,035	9.5%	0
Van Kampen Asset Management Inc.	862	7.0%		930	8.5%	3
Goldman Sachs Asset Management	367	3.0%		380	3.5%	1
UBS Global Asset Management, Inc.	318	2.6%		48	0.4%	0
Franklin Mutual Advisers, LLC	310	2.5%		353	3.0%	0
Arnhold and S. Bleichroeder Advisers, LLC	263	2.1%		141	1.3%	0
Morgan Stanley Investment Management Inc.	239	1.9%		240	2.2%	15
Janus Capital Management LLC	206	1.7%		0	0.0%	0
TCW Asset Management Company	184	1.5%		203	1.9%	0
Capital Guardian Trust Company	165	1.3%		209	1.9%	0
Pioneer Investment Management, Inc.	163	1.3%		177	1.6%	0
Alex. Brown Investment Management	152	1.2%		146	1.3%	2
The Boston Company Asset Management, LLC	143	1.2%		67	0.6%	0
AIM Trimark Investments	118	1.0%		108	1.0%	0
College Retirement Equities Fund	116	0.9%		104	1.0%	26
Torrey, LLC	113	0.9%		32	0.3%	0
Lazard Asset Management, L.L.C.	106	0.9%		63	0.6%	0
UBS Global Asset Management (UK) Ltd.	101	0.8%		4	0.0%	0
UBS Securities LLC	100	0.8%		20	0.2%	0
UBS Global Asset Management (Switzerland)	89	0.7%		54	0.5%	1
Merrill Lynch & Company, Inc.	89	0.7%		45	0.4%	0
Dimensional Fund Advisors, Inc.	84	0.7%		78	0.7%	6
John W. Bristol & Company, Inc.	80	0.6%		71	0.7%	0
Noonday Asset Management, L.P.	78	0.6%		65	0.6%	0
Top 25 Clear Channel Holders (Pre-Transaction)	\$9,954	72.7%		\$6,556	59.9%	\$213
						23.2%

Source: Thomson Financial

Cross-Ownership of Clear Channel & LiveNation

As of March 31, 2006, Post-Separation Transaction (December 21, 2005)

(US\$ in millions)

Top Holders of Clear Channel (CCU)

Investor	CCU Pos.	LYV	Pos.
Fidelity Management & Research	\$ 2,001	\$ 158	
Capital Research & Management Company	1,035	0	
Van Kampen Asset Management Inc.	930	3	
Wellington Management Company, LLP	424	135	
Goldman Sachs Asset Management	380	1	
Franklin Mutual Advisers, LLC	333	0	
Lord, Abnett & Co. LLC	252	0	
Morgan Stanley Investment Management Inc.	240	15	
ClearBridge Advisers	224	0	
Capital Guardian Trust Company	209	0	
TCW Asset Management Company	203	0	
Pioneer Investment Management, Inc.	177	0	
J.P. Morgan Investment Management Inc.	161	12	
Alex. Brown Investment Management	146	2	
Arnhold and S. Bleichroeder Advisers, LLC	141	0	
Perry Capital, L.L.C.	123	0	
AIM Trimark Investments	108	0	
College Retirement Equities Fund	104	26	
OppenheimerFunds, Inc.	98	4	
dbi Allianz Dresdner Global Investors	97	0	
INVESCO Capital Management Inc.	97	0	
Copper Arch Capital, LLC	82	0	
T. Rowe Price Associates, Inc.	80	31	
Dimensional Fund Advisors, Inc.	78	6	
Metropolitan West Capital Management, LLC	76	0	
Top 25 CCU Holders	\$ 7,802	\$ 393	
% of Total Active Institutional Holders	71%	43%	

Top Holders of Live Nation (LYV)

Investor	CCU Pos.	LYV Pos.
Fidelity Management & Research	\$ 2,426	\$ 158
Wellington Management Company, LLP	1,895	135
Alson Capital Partners, L.L.C.	451	82
Credit Suisse Securities (USA) LLC	958	43
OSS Capital Management, L.L.C.	0	42
Viking Global Investors, LP	30	41
Hopflite Capital Management, L.L.C.	45	36
Greenlight Capital, Inc.	0	35
T. Rowe Price Associates, Inc.	0	31
Loomis, Sayles & Company, L.P.	255	29
College Retirement Equities Fund	0	26
Och-Ziff Capital Management, L.P.	129	25
Shapiro Capital Management LLC	163	25
Norges Bank	151	21
Wfmer Asset Management, L.L.C.	0	20
Hutchins and Wiley Capital Management, LLC	55	19
Morgan Stanley Investment Management Inc.	226	15
J.P. Morgan Investment Management Inc.	125	12
Teacher Retirement System of Texas	117	10
George Weiss Associates, Inc.	141	7
Dimensional Fund Advisors, Inc.	109	6
Citigroup Investment Research	384	5
Horizon Asset Management, Inc.	59	5
Marathon Asset Management LLP	0	5
Columbia Management Advisors, Inc.	0	4
Top 25 LYV Holders	\$ 3,342	\$ 838
% of Total Active Institutional Holders	31%	91%

Source: Thomson Financial

TXI Ownership Pre- / Post-Transaction (August 1, 2005)

June 30, 2005 TXI Ownership vs. September 30, 2005 Stand Alone Company Ownership

(US\$ in millions)

Top Holders of Texas Industries Pre-Transaction vs. Stand Alone Companies Post Transaction

Investor	June 30, 2005			September 30, 2005			
	Texas Industries (\$1.3br market cap)	% Active Inst. Holders	Position	Texas Industries (\$1.2br)	% Active Inst. Holders	Position	Chaparral Steel (\$0.8bn)
Fidelity Management & Research	\$ 191	25.8%		\$ 183	20.2%	\$ 13	3.2%
Dimensional Fund Advisors, Inc.	95	12.9%		93	10.3%	43	10.2%
Franklin Advisory Services, LLC	45	6.1%		43	4.7%	20	4.8%
Kestrel Investment Management Corp.	38	5.3%		36	4.0%	17	4.2%
Rothschild Asset Management, Inc.	30	4.0%		27	2.9%	0	0.0%
American Century Investment Mgmt.	26	3.5%		0	0.0%	0	0.0%
Fisher Investments	24	3.2%		18	2.0%	9	2.1%
Lotsoff Capital Management	23	3.0%		1	0.2%	8	2.0%
Putnam Investment Management, L.L.C.	21	2.9%		16	1.8%	7	1.7%
Loomis, Sayles & Company, L.P.	21	2.8%		19	2.1%	12	2.9%
Wellington Management Company, LLP	21	2.8%		0	0.0%	5	1.1%
Delaware Investments	20	2.7%		14	1.6%	7	1.6%
Och-Ziff Capital Management, L.P.	18	2.5%		0	0.0%	0	0.0%
Principal Global Investors (Equity)	18	2.5%		19	2.0%	8	1.8%
Goldman Sachs Asset Management (US)	18	2.4%		14	1.6%	2	0.4%
Thompson, Siegel & Wainsley Inc.	17	2.3%		18	2.0%	0	0.0%
Hennessy Advisors, Inc.	17	2.3%		16	1.8%	8	1.8%
RiverSource Investments, LLC	15	2.0%		9	1.0%	1	0.3%
AllianceBernstein L.P.	14	1.9%		13	1.4%	6	1.4%
Muhlenkamp & Company, Inc.	13	1.8%		12	1.4%	6	1.4%
Vinik Asset Management, L.P.	11	1.5%		0	0.0%	0	0.0%
Teacher Retirement System of Texas	11	1.5%		10	1.1%	5	1.1%
Kedley Asset Management Corp.	11	1.5%		15	1.7%	12	3.0%
Jacobs Levy Equity Management, Inc.	11	1.4%		3	0.3%	0	0.0%
M & G Investment Management Ltd.	10	1.4%		0	0.0%	5	1.1%
Top 25 Texas Industries Holders (Pre-Transaction)	\$740	50.3%		\$581	64.2%	\$193	46.0%

Source: Thomson Financial

Cross-Ownership of Texas Industries & Chaparral Steel

As of September 30, 2005, Post-Separation Transaction (August 1, 2005)

(US\$ in millions)

Top Holders of Texas Industries (TXI)

Investor	TXI Pos.	CHAP Pos.
Fidelity Management & Research	\$ 183	\$ 13
Dimensional Fund Advisors, Inc.	93	43
Franklin Advisory Services, LLC	43	20
Kestrel Investment Management Corp.	36	17
Provident Investment Counsel, Inc.	28	0
Rothschild Asset Management, Inc.	27	0
Morgan Stanley Investment Management Inc. (US)	23	0
Loomis, Sayles & Company, L.P.	19	12
Principal Global Investors (Equity)	19	8
Fisher Investments	18	9
Thompson, Siegel & Walmesley Inc.	18	0
Hennessy Advisors, Inc.	16	8
Putnam Investment Management, L.L.C.	16	7
Keeley Asset Management Corp.	15	12
Goldman Sachs Asset Management (US)	14	2
Goldman Sachs International	14	0
Delaware Investments	14	7
AllianceBernstein L.P.	13	6
Muhlenkamp & Company, Inc.	12	6
SunTrust Bank	12	0
Lazard Asset Management, L.L.C.	12	0
OppenheimerFunds, Inc.	12	1
Lifespeed Capital, L.L.C.	11	11
Teacher Retirement System of Texas	10	5
RiverSource Investments, LLC	9	1
Top 25 TXI Holders	\$689	\$186
% of Total Active Institutional Holders	76%	45%

Top Holders of Chaparral Steel (CHAP)

Investor	TXI Pos.	CHAP Pos.
UBS Global Asset Mgmt (Americas)	\$ 93	\$ 43
Hochstetler and Wiley Capital Mgmt, LLC	0	41
Ariel Capital Mgmt, L.L.C.	0	25
Goldman Sachs & Company, Inc.	43	20
OppenheimerFunds, Inc.	36	17
Icahn & Company	0	16
Putnam Investment Management, L.L.C.	0	16
Armstrong Shaw Associates, Inc.	183	13
Omega Advisors, Inc.	0	13
Franklin Mutual Advisers, LLC	15	12
ABP Vermögensbeheer	19	12
Farellon Capital Management, L.L.C.	1	11
Goldman Sachs Asset Mgmt (US)	11	11
Cambiar Investors LLC	0	11
Seneca Capital Advisors, L.L.C.	18	9
Wesley Capital Management L.L.C.	1	8
AIM Management Group, Inc.	0	8
Okumus Capital, L.L.C.	16	8
PPM America, Inc.	19	8
Morgan Stanley Investment Mgmt (US)	16	7
RS Investments	0	7
Equinox Capital Management, LLC	14	7
OSS Capital Management, L.L.C.	0	6
Flippin, Bruce & Porter, Inc.	0	6
The Boston Company Asset Mgmt, LLC	0	6
Top 25 CHAP Holders	\$486	\$342
% of Total Active Institutional Holders	54%	81%

Source: Thomson Financial

Trading Liquidity Analysis of Spin-Off Companies¹

Average Daily Trading Volume (ADTV) as % of Shares Outstanding (US\$ in millions)

WI Start	WI End	SpinCo Name	Parent Name	Days When Issued Trading	Market Value of Percent	Market Value of SpinCo	ADTV WII as % of Shares	ADTV as % of Shares Outstanding Post When Issued					
								Out ²	Wk 1	Wk 2	Wk 3	Wk 4	Month 6
08-Nov-06	17-Nov-06	Idearc	Verizon	11	\$105,236.8	\$3,832.5	1.7%	3.1%	2.1%	1.6%	1.4%	1.4%	NA
13-Nov-06	16-Nov-06	Sally Beauty Holdings	Alberto Culver	3	4,890.1	680.6	2.1	3.1	1.7	1.8	1.1	1.1	NA
28-Oct-06	9-Nov-06	Assisted Living Concepts	Extendicare	14	1,451.9	606.8	0.3	3.2	4.5	4.0	2.0	2.0	NA
20-Sep-06	29-Sep-06	Western Union	First Data	9	32,198.9	14,837.6	0.7	1.0	1.0	0.9	1.2	1.2	NA
16-Aug-06	5-Sep-06	Hanesbrands	Sara Lee	20	12,851.1	1,906.9	0.8	4.8	1.5	0.7	0.8	0.8	NA
19-Jul-06	31-Jul-06	Realogy	Cendant	12	16,910.0	6,322.5	0.4	1.4	1.6	0.8	1.0	1.1	1.1
04-May-06	31-Jul-06	Wyndham	Cendant	12	16,910.0	6,496.9	0.3	1.6	1.2	0.5	0.7	0.5	0.5
04-May-06	17-May-06	Embarq	Sprint Nextel	13	72,777.6	6,782.4	0.4	3.4	1.7	1.5	1.3	0.8	0.8
04-May-06	9-May-06	Liberty Capital ²	Liberty Media	5	24,441.6	10,359.6	0.2	0.8	0.6	0.4	0.5	0.4	0.4
04-May-06	9-May-06	Liberty Interactive ³	Liberty Media	5	24,441.6	14,152.3	0.2	0.6	0.9	0.8	0.8	0.5	0.5
05-Dec-05	30-Dec-05	Viacom Inc.	CBS Corp (Viacom (Old))	25	50,698.5	31,990.0	0.1	0.7	0.7	0.5	0.4	0.4	0.4
14-Dec-05	21-Dec-05	LiveNation	Clear Channel Comm	7	17,493.5	793.1	1.7	6.1	2.8	3.0	3.6	0.7	0.7
15-Sep-05	30-Sep-05	Ameriprise Financial	American Express	15	71,800.0	6,950.0	0.4	2.8	1.3	1.0	0.9	0.5	0.5
20-Jul-05	6-Aug-05	Expedis Inc.	IAC/InterActiveCorp	18	18,266.8	8,077.5	0.2	1.4	0.8	0.4	0.5	0.4	0.4
06-Jul-05	20-Jul-05	Discovery Holding Co	Liberty Media	14	27,771.8	4,161.6	0.4	4.5	1.7	1.9	1.8	0.4	0.4
15-Jun-05	27-Jun-05	Tree-House Foods	Dean Foods	12	6,215.7	941.0	2.6	5.8	2.5	1.6	1.3	0.6	0.6
19-Jan-05	31-Jan-05	PHH Corp.	Cendant	12	24,814.2	1,159.0	1.2	6.9	2.5	2.1	1.6	1.4	1.4
17-Nov-04	30-Nov-04	Neenah Paper Inc	Kimberly-Clark Corp	13	30,990.1	521.4	1.1	9.3	4.4	2.2	1.9	1.4	1.4
02-Jun-04	7-Jun-04	Liberty Media International	Liberty Media	5	32,697.5	5,819.9	0.7	NA	NA	NA	NA	NA	NA
20-Apr-04	30-Apr-04	Hospira	Abbott Laboratories	10	68,690.1	4,441.0	0.5	2.2	1.3	0.9	0.8	0.5	0.5
30-Dec-03	31-Dec-03	First Nat'l Bank of Florida	FNB Corp/PA	1	1,841.2	770.8	0.1	0.7	0.4	0.5	0.4	0.3	0.3
19-Dec-03	31-Dec-03	Piper Jeffrey Cos	US Bancorp	12	57,581.1	803.5	1.0	4.7	3.2	2.3	1.8	1.3	1.3
08-Aug-03	19-Aug-03	Medco Health Solutions	Merkck	11	120,286.1	6,440.6	0.5	2.8	1.5	1.2	0.8	1.0	1.0
25-Jul-01	6-Aug-01	Zimmer	Brylcreem Myers	12	112,352.5	5,374.6	0.6	2.4	1.2	1.1	1.0	0.3	0.3
20-Jun-01	6-Jul-01	Carnegy	Equifax	16	5,044.9	2,058.6	0.3	1.9	0.7	0.4	0.5	0.3	0.3
15-Jun-01	29-Jun-01	Rodwell Collins Inc	Rodwell Automation Inc	14	6,997.8	4,315.8	0.1	0.5	0.4	0.5	0.3	0.3	0.3
07-Jun-01	7-Jun-01	MCI Group ³	WorldCom	0	53,178.1	2,078.7	NA	10.4	5.7	3.7	1.9	1.3	1.3
13-Mar-01	29-Mar-01	Rainbow Media Group ³	Cablevision	16	14,657.5	2,208.8	0.0	1.1	0.6	0.4	0.3	0.1	0.1
28-Nov-01	31-Jan-01	Global Payments Inc	NDCHealth Corp	15	1,282.4	494.5	0.1	2.3	0.8	1.1	1.3	1.2	1.2
28-Nov-00	11-Dec-00	Sytron Dental Specialties	Apogent Technologies Inc	13	3,054.5	579.3	0.4	3.8	1.6	0.7	1.1	0.4	0.4
18-Sep-00	2-Oct-00	Dun & Bradstreet	Moody's	14	5,903.1	1,456.3	0.5	1.9	1.0	0.6	0.4	0.2	0.2
18-Sep-00	28-Sep-00	Avaya	Lucent Technologies	11	103,530.5	6,476.3	0.1	1.8	1.4	1.1	1.2	0.3	0.3
08-Jun-00	28-Jun-00	Visteon	Ford Motor	20	43,666.0	1,740.9	0.1	2.1	2.2	1.7	1.3	0.9	0.9
27-Mar-00	3-Apr-00	Energy Holdings	Relston Purina	7	6,063.7	2,030.5	0.7	1.7	1.1	0.7	1.3	0.2	0.2
27-Mar-00	31-Mar-00	Eduard Lifesciences Corp	Baxter International Inc	4	18,207.9	787.8	1.6	4.1	2.4	1.6	1.8	0.5	0.5
21-Mar-00	14-Apr-00	Grant Pricedco	Weatherford International	24	6,072.2	2,022.3	0.2	1.2	1.0	1.1	1.4	0.8	0.8
		Mean		12	\$3,864.6	\$4,782.9	0.6%	3.0%	1.7%	1.3%	1.2%	0.6%	0.6%
		Median		12	21,354.1	2,143.2	0.4	2.3	1.4	1.1	1.1	0.5	0.5

¹ Consists of domestic 100% spin-off transactions since 2000 in which the spin-off company is greater than \$500mm.

² Total SpinCo shares outstanding as of the ex-date.

³ Denotes tracking stock distribution.

June 25, 2007

TAB C

Description of Data from Goldman, Sachs & Co.

The materials from Goldman, Sachs & Co. attached at Tab B contain various analyses of transactional and stock data relating to past spin-off transactions. This document attempts to describe these charts in a way that makes the charts understandable.

Pages 1 and 2 of Tab B analyze a July 31, 2006, transaction through which Cendant became three separate companies: Avis Budget, Realogy, and Wyndham. Listed on the left-hand side of page 1 are the top 25 institutional holders of Cendant stock prior to the transaction separation, as of June 30, 2006. In the first numerical column, designated "Pos.", the chart presents the market value of each institution's ownership position in Cendant (in millions). The second numerical column, designated "% Active Inst. Holders", shows the percentage of each institution's holdings in Cendant stock when compared to all active institutional investors. As noted in the bottom of this column, on June 30, 2006, the top 25 institutional investors in Cendant held 50.3% of all stock held by active institutional investors.

The next six columns to the right, then, show the September 30, 2006, holdings of the same 25 institutions, but in the three new companies (since the separation took place two months earlier on July 31, 2006). For example, on September 30, 2006, Armstrong Shaw Associates held no shares in Avis Budget, a 1.8% relative position in Realogy and a 1.8% relative position in Wyndham. The top 25 institutional shareholders of Cendant on June 30, 2006 (one month prior to the transaction separation), only held 18.5%, 37.3%, and 33.8% of the institutionally-held stock in Avis Budget, Realogy, and Wyndham, respectively, on September 30, 2006 (two months after the transaction separation).

Page 2 looks at the September 30, 2006, institutional stock ownership in the three new companies in a slightly different way. In the first column of the chart, the data shows the top 25 institutional holders of stock in Avis Budget and compares the institutions' Avis Budget holdings to their holdings in Realogy and Wyndham. From the first numeric sub-column, one can see that the top 25 institutional holders of Avis Budget (CAR) held 55% of all stock held by institutions in Avis Budget. Those same 25 institutions only held 23% and 26% of institutionally-held stock in Realogy and Wyndham, respectively. The remaining main columns to the right present the same comparative data for the top 25 institutional holders of stock in Realogy and then, to the far right, in Wyndham.

Page 3 contains the same type of data analysis as page 1, although page 3 analyzes the spin-off of Live Nation from Clear Channel, a spin-off which took place on December 21, 2005. Page 3 compares Clear Channel's institutional stock holdings prior to the spin-off, on September 30, 2005, to Clear Channel and Live Nation's institutional stock holdings immediately following the spin-off, on December 31, 2005. Page 5 is the same as page 3 except that page 5 compares the shareholder data between September 30, 2005,

and March 31, 2006 (*i.e.*, a two-calendar-quarter comparison, or a little over one calendar-quarter following the spin-off).

Page 4 contains the same type of analysis as is on page 2, although, again, page 4 pertains to the spin-off of Live Nation from Clear Channel. Page 6 is the same as page 4, but the date of cross-ownership analysis is three months later than page 4 – on March 31, 2006.

Pages 7 and 8 contain the same type of stock analysis as pages 1 and 2 except that pages 7 and 8 relate to yet another spin-off – that of Chaparral Steel from Texas Industries, which took place on August 1, 2005.

Finally, page 9 contains a different type of analysis. This page presents data for all domestic 100% spin-off transactions since March 21, 2000, in which the spin-off company had a market capitalization of more than \$500 million. In the eighth column, designated “ADTV W/I as % of Shares Out”, the data shows the average daily trading volume (ADTV) in the stock of the spin-off company during the “when-issued” (W/I) trading period, which is the time period between the authorization of the spin-off company’s common stock and the issuance of the stock to the parent company’s shareholders. The next column, designated “Wk 1”, shows the ADTV in the spin-off’s stock during the first week following the W/I period, which ends when the spin-off company’s stock is issued to the parent company’s shareholders on the payable (or distribution) date. The next column, designated “Wk 2”, shows ADTV in the second week after the W/I period ends. The next two columns to the right show the average daily volume of trading in the stock as more time elapses from the W/I period. The last column (Month 6) represents the ADTV over all 6 months following the spin-off transaction.

For example, as of the payable date, the average daily volume of trading in shares of Assisted Living Concepts, a spin-off from Extencicare, was .3% of all its stock outstanding. After the spin-off was completed, however, the trading volume in Assisted Living Concepts jumped to 3.2% in the first week and then to 4.5% in the second week. In short, there was a relatively large amount of trading in the stock of the spin-off in the first month after the separation.



"Renaud, Mark"
<MRenaud@wileyrein.com>
07/06/2007 12:03 PM

To <jlevin@fec.gov>, <rkatwan@fec.gov>
cc "Baran, Jan" <JBaran@wileyrein.com>
bcc
Subject Follow-up Information for Tyco AOR

Messrs. Levin and Katwan,

Pursuant to our telephone call this morning, we can confirm that we are not aware of any overlapping officers, directors, or employees among the three newly-independent parent companies or their subsidiaries other than the minimal board overlap identified in the Advisory Opinion Request and SEC filings.

Mark



D. Mark Renaud
Attorney At Law
Wiley Rein LLP

1776 K Street NW
Washington, DC 20006
Tel: 202.719.7405 | Fax: 202.719.7049
Email: mrenaud@wileyrein.com
www.wileyrein.com

PLEASE NOTE: New Firm Name

Effective February 1, 2007, Wiley Rein & Fielding LLP became Wiley Rein LLP. The firm's website address became www.wileyrein.com and all firm email addresses reflect the new Internet domain name. Please take a moment to update your records with our new information.

NOTICE: This message (including any attachments) from Wiley Rein LLP may constitute an attorney-client communication and may contain information that is **PRIVILEGED** and **CONFIDENTIAL** and/or **ATTORNEY WORK PRODUCT**. If you are not an intended recipient, you are hereby notified that any dissemination of this message is strictly prohibited. If you have received this message in error, please do not read, copy or forward this message. Please permanently delete all copies and any attachments and notify the sender immediately by sending an e-mail to Information@wileyrein.com.