

# \$MATTERS

20770 West Dixie Hwy., Aventura, FL 33180 - Tel: (305) 986-1331 - Fax: (305) 937-1445

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SMK INFORMATION SERVICES

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## New Savings From New Offers

SMK has recently added several new DTC eligible Odd-Lot tender offers. The new companies include **Car Max** (symbol – “KMX”), which was a spin-off from Circuit City back on the first of October. In this separation, a stock dividend of 0.314 of a share of CarMax, Inc. common stock was distributed to shareholders of Circuit City Group Common Stock; **Skyworks Solutions Inc** (“SWKS”) which was created through the June 25, 2002 merger of Alpha Industries Inc. and Conexant Systems Inc. Under the terms of the transaction, Conexant shareholders received 0.351 of a share in the combined company and will continue to hold their existing Conexant shares. Alpha shareholders will continue to hold their existing Alpha shares as shares in the combined company; **Gen Probe Inc.** (“GPRO”) which began trading on the NASDAQ after being spun-off from Chugai Pharmaceutical. The spin-off was finalized on September 15, 2002 with the distribution of approximately 23.8 million shares of Gen-Probe common stock to Chugai shareholders. Each registered holder of Chugai common stock on the July 31, 2002 record date received 0.086 of one share of Gen-Probe common stock; and **Cimerex Energy Co.** (“XEC”) was a spin-off from Hamerich & Payne Inc. on September 30<sup>th</sup>. Hamerich & Payne established 0.53146496005 as the distribution ratio for the previously declared distribution of Cimerex Energy Co. common stock to its stockholders as of the close of business on September 27, 2002. In addition, SMK added DTC eligible offers on large capitalized companies that have suffered tremendous stock price erosion during the last 24 months. Those offers include **IBM**, **Electronic Data Systems Corp.** and **Walt Disney Corp.** For complete details of these transactions or any other DTC eligible programs, visit our website, [www.smkinfo.com](http://www.smkinfo.com)

## SMK To the Rescue!

SMK has come to the rescue once again. In a move designed to protect our client’s relationships and integrity they have with their own clients, SMK rebated 10¢ a share on all Agere Systems Class A and B tendered during the accumulation period of October 2<sup>nd</sup> through October 8<sup>th</sup>. The rebate was given as a result of the efficiencies realized by SMK through their hiring of additional MIS personnel and the upgrading of their computer systems. The rebate covered over 76 different transactions. This is just one more reason to consider SMK for your odd lot additions or liquidations

## Take the SMK Candy Survey

As many of our clients know SMK shows its appreciation to the people who send us business by sending them candy during the business year. To make sure you get the kind of candy you like we have added a candy survey page to our web site [www.smkinfo.com](http://www.smkinfo.com). Fill out all the fields in the survey and the next time candy goes out you will get the candy of your choice. If you are not an existing client take the survey and get the candy of your choice with your first transaction.

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## Tax Basis Information

As an additional service for you and your clients, we can now provide tax basis accounting information on many of the odd lot tender programs offered through SMK Information Services. The information includes the dates of the corporate spin-off as well as the number of shares distributed and the cost basis percentages to allocate among the fractionalized companies. The tax basis allocation for the MA Bell divestitures and all of the “offspring” is also provided as an additional service. While we take great care in presenting this data, it does not constitute tax advice. All persons should consult their own tax advisor regarding their own tax allocations. The information can be found at our website, [www.smkinfo.com](http://www.smkinfo.com).

## Weekly Accumulation Periods

SMK’s Odd Lot offers eligible through DTC are set up on a weekly accumulation program and payout on select days of the week. With over 50 stock offers eligible through DTC, SMK has provided on its website a listing of which day of the week each stocks close out their weekly accumulation.

All shares accumulated for each week will be settled using the next trading day’s open price less SMK’s processing fee. Shares can be delivered to DTC at any time, and you can use this system to minimize your market exposure.

**For more information about the SMK Solution, visit our website at [www.smkinfo.com](http://www.smkinfo.com), or call David Messinger, Partner at 305-986-1331.**

### **Offers Eligible Through DTC**

- Agere Systems, Inc., Class A Stock, AGRa, NYSE
- Agere Systems, Inc., Class B Stock, AGRb, NYSE
- AOL Time Warner, Inc., AOL, NYSE
- Applied Materials, Inc., AMAT, NASDAQ
- AT&T Corporation, T, NYSE
- AT&T Wireless Group, AWE, NYSE
- Avaya, Inc., AV, NYSE
- Cable and Wireless plc Sponsored ADR, CWP, NYSE
- Calpine Corporation, CPN, NYSE
- Canadian Pacific Railway LTD., CP, NYSE
- Carmax, Inc. KMX, NYSE
- Cimarex Energy Company, XEC, NYSE
- Citigroup, Inc., C, NYSE
- Commercial Net Lease Realty, Inc., NNN, NYSE
- Corning Inc., GLW, NYSE
- CP Ships LTD, TEU, NYSE
- Cytec Corporation, CYTC, NASDAQ
- Diebold, Inc., DBD, NYSE
- DoubleClick, Inc., DCLK, NASDAQ
- EnCana Corporation, NYSE, ECA
- Enpro Industries, Inc., NPO, NYSE
- Fairmont Hotels & Resorts, Inc., FHR, NYSE
- Fording, Inc., FDG, NYSE
- Gen-Probe Inc., GPRO, NASDAQ
- Halliburton Company, HAL, NYSE
- Imagistics International, Inc., IGI, NYSE
- Iomega Corporation, IOM, NYSE
- JDS Uniphase Corporation, JDSU, NASDAQ
- JM Smucker Company, SMJ, NYSE
- Kadant, Inc., KAI, AMEX
- Kana Software, Inc., KANA, NASDAQ
- Lucent Technologies, LU, NYSE
- McData Corporation, Class A Stock, MCDTA, NASDAQ
- Microsoft Corporation, MSFT, NASDAQ
- Monsanto Company, MON, NYSE
- NCR Corporation, NCR, NYSE
- Nortel Networks Corporation, NT, NYSE
- PanCanadian Energy Corporation, PCX, NYSE (Name Change)
- Polycom, Inc., PLCM, NASDAQ
- Skyworks Solutions, Inc., SWKS, NASDAQ
- Travelers Property Casualty Corp., Class A, TAPa, NYSE
- Travelers Property Casualty Corp., Class B, TAPb, NYSE
- Veritas Software Corporation, VRTS, NASDAQ
- Visteon Corporation, VC, NYSE
- Walt Disney Company, DIS, NYSE
- Worldcom Group, WCOEQ, OTC
- Worldcom, Inc. -MCI Group, MCWEQ, OTC
- Zimmer Holdings, Inc., ZMH, NYSE

### **New & Extended or Revised Offers Through DTC as of 10/28/02**

- Applera Corporation - Celera Genomics Group, CRA, NYSE
- Cisco Systems, CSCO, NASDAQ
- E Trade Group, ET, NYSE
- Electronic Data Systems, Corp., EDC, NYSE
- International Business Machines, Inc., IBM, NYSE
- Liberty Media Corp, L, NYSE
- Magnum Hunter Resources, Inc, MHR, AMEX

### **ROUND-UP INFORMATION**

SMK Information Service has made it easy for you to Round-Up your client's positions. When making purchases for your client's "Round-Ups" the information SMK Information Service requires (either by Fax or email) is:

- Your name.
- Your firm name.
- Your contact number.
- Your Fax number.
- Your E-mail address
- Name of security you want to (Round-Up / purchase).
- The cusip #.
- Number of shares you are purchasing.
- DTC Participant #.
- Account # for the transfer of shares.

Once the information is received, SMK prepares to transfer the shares to depository account "Delivery Free DO". SMK will then communicate with you when the shares are to be transferred so if you need to set-up to receive them you may do so. Once the shares have been transferred SMK will fax or e-mail an invoice for the shares (the price will be based on the settlement price on the date of transfer or the price paid { whichever is greater } plus the processing fee). You may wire transfer the funds for the purchase, or mail a check (the appropriate information will be included on the invoice). You may bulk together multiple beneficial holders on one request for purchase.

**Contact: David Messinger,  
at (305) 986-1331 or  
e-mail: [david@smkinfo.com](mailto:david@smkinfo.com)**

**SMK Information Services  
20533 Biscayne Blvd.  
Suite 4N123  
Aventura, Florida 33180**