



clifton.r.davis@

To: Michael_J_Stadler@v

cc: rod.l.anderson@v

dave.n.schaaf@v

01/14/02 06:05 PM

Subject: WRI - Guardian

REDACTED

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Mike,

Attached is the summary of the various acquisition alternatives for Guardian as we discussed with Doug this afternoon. Based on our conversation we understand the following:

Westar or P-1 would acquire the assets of Guardian for approximately \$25 million in cash and other properties (Turkey and China). Guardian would use approximately \$12 million to pay down debt and then use some of the cash to tender to the public stub. Doug would like to retain a portion of the public stub for the Guardian Holding Company. This transaction would most closely resemble Alternative 1 ("taxable asset acquisition").

Also, we discussed that a Section 338 election would likely not be possible because Westar would not have a qualified stock purchase (i.e., would not acquire 80% of Guardian within 12 months). Doug mentioned that we have not taken into account the RSUs when depicting Westar's current ownership. Doug will provide information detailing the amount of RSU outstanding and a copy of the plan for us to review. Also, Doug will provide information regarding the inside tax basis of the assets and an updated NOL estimate.

(See attached file: Guardian Acquisition Alternatives - v2.doc) (See attached file: Guardian International - Schedule A.xls)

Please call with any questions or comments. Also, we can discuss further as more information becomes available.

Clifton

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- Guardian Acquisition Alternatives - v2.doc



- Guardian International - Schedule A.xls

Subj:
Date: 1/14/2002 2:53:09 PM Central Standard Time
From: [dlake1@i](#)
To: [rginsburg@i](#) **REDACTED**
Sent from the Internet (Details)

Do you have a rough guess as to the tax basis of GIISs assets?

Subj: Re: Fw: Re: Canada
Date: 12/27/2001 4:43:40 PM Central Standard Time
From: cuybeau@
To: rginsburg@ **REDACTED**
Sent from the Internet (Details)

I don't think you want to sell this property for this price and then try to justify a GIS deal at a higher multiple. I'd the your friends to get lost. I'm not taking this loss to the Wr board. Wittig

Subj:
Date: 1/3/2002 2:30:58 PM Central Standard Time
From: clake1@
To: rginsburg@ **REDACTED**
Sent from the Internet (Details)

That was a good meeting. Believe me I know the effort you and your team are making in turning around P1. Re GIIS, don't be offended by our candor. You built a great biz but we need to develop and endgame plan as discussed. Relax!

Subj: GIIS
Date: 11/26/2001 9:11:42 PM Central Standard Time
From: guybeau@ [REDACTED]
To: rginsburg@ [REDACTED]

What's your current view on buying Guardian? Wittig

REDACTED

Subj: Re: GIIS
Date: 11/26/2001 9:21:43 PM Central Standard Time
From: rginsburg@: (rginsburg rginsburg)
To: guybeau@: **REDACTED**

Right now GIIS is running fine, maintaining value, and paying WR dividend. I am not opposed to it in the future but in all candor it is an eye on the ball issue. Either Darius or I would need to handle it and both of us are immersed in not letting Lake and you down in fixing POI.

----Original Message----

From: guybeau (guybeau)
Subject: GIIS
What's your current view on buying Guardian? Wittig

REDACTED

Subj: Re: GIIS
Date: 11/26/2001 9:46:28 PM Central Standard Time
From: guybeau@.
To: rginsburg@ii **REDACTED**

Fine. My view is that GIIS is a first quarter 2003 deal. Wittig

REDACTED