

Project UNIFI

Termination Fee Analysis

- The \$30 million termination fee in the Union Central/ Ameritas Acacia merger agreement is in line with termination fees in precedent transactions
 - \$500 - \$750MM equity value range
 - Date range: 2000 - 2004
 - Measured as a percent of equity value of the smaller company/target

• MHC Mergers have unique and significant transaction risks

- Prolonged period from signing to closing
 - Increased Interloper Risk
 - Increased operational risk
 - Greater exposure to macro-economic events
- Lengthy commitment of senior management resources - Impact on business performance
- Unusual degree of regulatory scrutiny - Increased regulatory risk
- Significant Integration Risk
 - Lengthy timeline forces integration to begin prior to closing - Failure to "Close" can have disastrous consequences

• Termination fee provides appropriate assurance that both companies remain committed over the lengthy timeframe

Morgan Stanley

Union Central/Ameritas Acacia Transaction (\$MM)	UC		Assumed Price/Book Multiple	
	Parameter	Value	Multiple	Value
6/30/05E Book Value	672	672	1.05x	706
Termination Fee as % of Equity Value	30	4.46%	4.25%	4.06%

Summary of Precedent Transactions (\$500-\$750MM equity value range)

Deal Size (\$500-750MM)	2000-2004		2002-2004		2003-2004	
	Buyer	Seller	Buyer	Seller	Buyer	Seller
Median	4.24%	4.07%	4.83%	4.16%	4.83%	4.03%
Sample size	10	10	5	5	3	3

Comparable Transactions (\$500-\$750MM equity value range)

Date	Ann.	Target Name	Acquirer Name	Equity Value (\$MM)	Acquirer Termination Fee	Seller Termination Fee	Fee Paid By: (as % of equity)	Acquirer	Seller
8/18/04		Prime Hospitality Corp	Blackstone Group LP	570.2	27.0	23.0	4.7%	4.0%	4.0%
6/29/04		Mariner Health Care Inc	National Senior Care Inc	628.4	40.0	20.0	6.4%	3.2%	3.2%
1/6/03		ProBusiness Services Inc	Automatic Data Processing Inc	517.7	25.0	25.0	4.8%	4.8%	4.8%
4/2/02		Unihub Corp	Quest Diagnostics Inc	685.7	35.0	35.0	5.1%	5.1%	5.1%
1/30/02		Crossmann Communities Inc	Beazer Homes USA	505.3	10.0	21.0	2.0%	4.2%	4.2%
7/16/01		Packard BioScience Co	PerkinElmer Inc	587.1	23.5	23.5	4.0%	4.0%	4.0%
7/26/00		Tekon Corp	Symbol Technologies Inc	570.8	25.0	25.0	4.4%	4.4%	4.4%
7/3/00		Circle International Group Inc	EGL Inc	558.7	16.0	16.0	2.9%	2.9%	2.9%
5/25/00		Schein Pharmaceutical Inc	Watson Pharmaceuticals Inc	696.3	21.3	21.3	3.1%	3.1%	3.1%
2/22/00		Medscape Inc	Medicalogic Inc	731.2	30.0	30.0	4.1%	4.1%	4.1%