



This 3DAdvisors Report Covers:

- ✓ **Insider Trading:** Insider Trading Behavior
- Accounting:** Quality of Earnings Issues
- Governance:** Corporate Governance Issues

Insider Research Bulletin

November 16, 2007

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Insider Research Bulletin describes significant insider trading behavior that we have identified at the following companies and is a summary of the first step in our research process. The next step is that these same companies will undergo a review of accounting and governance behavior, and if we identify indicative behavior in one or both areas, then a "full 3DA research report" will be published on that company. Note: Inclusion of a company in this report by itself does not necessarily mean a full research report will be published. The ▲ symbol indicates that we have observed trading behavior that suggests a bullish sentiment.

Insider Research Bulletin is published periodically and exclusively for 3DA Research subscribers.

Companies in this Bulletin

- ▶ Cypress Semiconductor Corp. (NYSE: CY)
- ▶ Intel Corp. (NASDAQ: INTC)
- ▶ Regis Corp. (NYSE: RGS)

Discussion of 3DAdvisors Findings

Cypress Semiconductor Corp. (NYSE: CY)

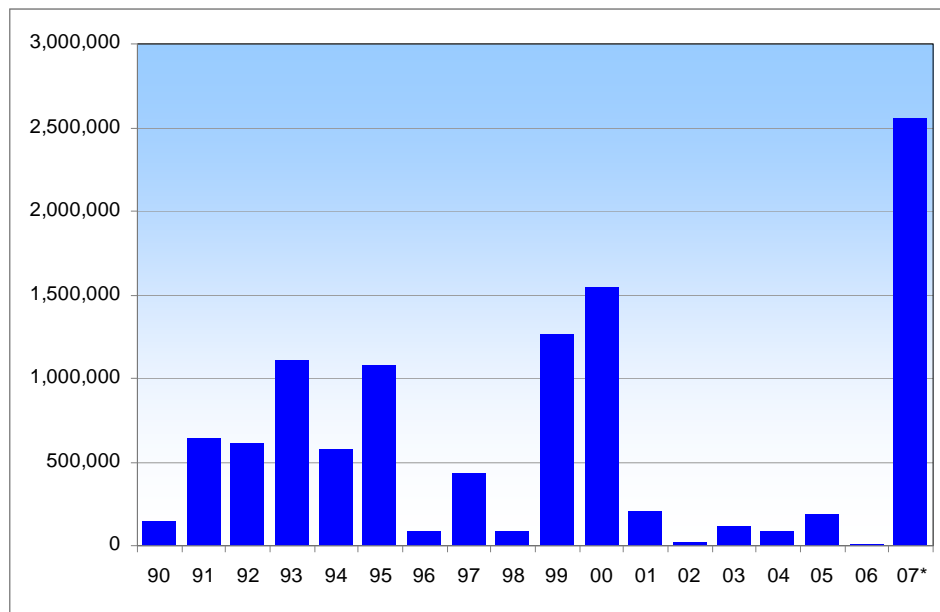
Cypress Semiconductor has a lot to be thankful for these days as its investment in solar energy, and more specifically, SunPower Corp. (NASDAQ: SPWR), has paid huge dividends. Its stock price has gained as much as 150% since January, outpacing the DJ Semiconductor Index by roughly the same percentage. Although its semiconductor operations did record reasonable gains in the third quarter (8% revenue increase), much of its revenue and income growth thus far is tied to SunPower, a consolidated subsidiary. SPWR accounted for 52% of Cypress' Q3 revenues, up from 41% in Q1, and is slowly beginning to contribute more to the bottom line. One analyst estimated that Cypress shares should rise 29 cents for every dollar increase in SunPower's stock, which based on our calculations, indicates CY currently trades at a 25% discount. Insiders, on the other hand, are behaving in a manner that would suggest the shares have reached their fair value, carrying out the largest round of sales in the Company's history after the Q3 earnings release. Add to this the bearish sentiment

exhibited by SunPower insiders in recent months (see Insider Research Bulletin dated [06/05/07](#) and Research Notes dated [06/15/07](#) and [08/29/07](#)), and it makes us suspect management has a more conservative estimation of their firms' valuations than the market.

With the shares trading to a five-year high, a certain amount of latitude needs to be given to Cypress insiders with regard to their profit taking. As a group, their average annual selling volume has barely topped 100,000 shares dating back to 2001 as the issue was unable to establish itself above \$20 for any prolonged period. But their recent behavior shows little confidence the issue is deserving of its current valuation. Their actions should give pause to investors and analysts who are strongly urging Cypress to spin off its SunPower ownership to unlock what they believe is suppressed value in the semiconductor operations. Here is what has recently transpired:

After issuing better-than-expected third quarter earnings on October 18th, ten insiders surfaced between October 19th and 29th to sell 2,034,817 shares at prices from \$32 to \$36. More shares traded hands during this ten day period than in any full year dating back to 1990 (see Figure 1 below). Clearly, this is a big number, but more telling to us is the effect these sales had on each individual's actionable holdings. Never before have we seen such large percentages of ownership sold off across the board. Chief Executive **Thurman "T.J." Rodgers** executed his largest-ever sale while two others in the executive office sold 90%, or more, of their total ownership. Add to this, five of the six independent board members lined their pockets by scaling back their exposure to CY shares between 30% and 98%. After owning 4% of the outstanding stock in Q3, executives and directors now collectively hold less than 2%.

Figure 1. CY Insider Annual Selling Volume, 1990 through 2007. Source: CY SEC Filings.



* 2007 includes sales report through 11/15/07 only.

In addition to the aggressive monetization of stock options and restricted stock, a pair of executives engaged in a profit-taking practice we have seen at only one other

Company this year, Align Technology (NASDAQ: ALGN). Many of our clients may be aware of Align's disappointing quarter. Executive V.P., Memory and Imaging **Ahmad Chatila** and Executive V.P., Data Communications **Dinesh Ramanathan** "flipped" all the shares purchased through the Employee Stock Purchase Plan (ESPP). Chatila, who has never-before "flipped" ESPP shares, had contributed to his ESPP semi-annually since June 2005, with his most recent deposit taking place on June 29th. On October 19th he cleared out all shares held in the Plan. Dating back to December 2005, Ramanathan has routinely purchased shares through the ESPP as well, only he has cashed in the stock shortly thereafter. This quick rotation of ESPP shares has proven to be quite lucrative. At first, it would seem this violates the short swing rule, which restricts insiders from taking profits within six months of a purchase, but ESPP trades are exempt under Section 16b-3. If a Company permits this activity, an insider can actually sell the stock within one day of purchasing it through the ESPP. And the advantages for CY insiders do not end there.

Not only does Cypress offer its employees a 15% discount on the ESPP purchase price, but the Plan contains a one year "look-back" provision in which the purchase price is based on the lower of the stock's prices at either the beginning of the offering period or the purchase date. If the stock's price increases during this time, the discount can effectively be more than 15%, and in this case, it proved to be much higher. For example, CY shares traded at \$23 when employees made their June 29th contributions. However, with the look-back provision, they were able get the stock for 85% of the July 3, 2006 market price of \$14.53. Chatila and Ramanathan were able to increase their profits by 105% and 76% buying through the ESPP than if they picked up the shares on the same dates on the open market. While most companies do not regulate flipping, there is no denying it defies the spirit of stock purchase plans, which are used to encourage long-term ownership.

We are very interested in the possible implications revealed in the Company's recent shift in compensation strategy which seem to provide clues regarding its SunPower plans. Last year, Cypress began granting time-vested restricted stock to officers in addition to the customary stock option awards. This year, without issuing any documentation explaining the rationale, the Compensation Committee awarded only performance-based restricted stock across the board. At this time we only know the shares are tied to both operating income and stock price, as reported on the Form 4s, but the exact income formulas and price targets were not made public. We also know that the potential share payouts are considerably larger than past derivative compensation awards, which contradicts statements in the Proxy regarding an amendment in the equity awards program to "proactively decrease shareholder dilution". With SunPower as the current catalyst behind Cypress' momentum, it would seem unlikely management would consider spinning off the division and putting their compensation payouts at risk of forfeiture if targets are not met. CEO Rodgers has the potential to receive 800,000 shares over the next five years, which would certainly help restock part of the 1.5 million he recently sold. We have only begun to analyze the complex relationship between Cypress and SunPower and anticipate uncovering some interesting details to be included in a later report. The bearish insider profile tells us we are heading down the right path.

- **Thurman "TJ" Rodgers (59)*** – President, Chief Executive Officer, Director. Never before have we seen Cypress' co-founder TJ Rodgers execute a sale remotely similar to the magnitude of that seen last month. On October 22nd and October 23rd

he sold 1,527,001 shares, all out of his common holdings, at prices between \$33 and \$35.05. **The shares accounted for 35% of his actionable holdings.** He did not monetize any of his 2.5 million vested options, a number of which were narrowly in the money before the Q3 price gains. While Rodgers did sell 200,000 shares back in May, these stemmed from options that were nearing expiration, so this was his first meaningful sale since August 2000. To put this sale into perspective, he had sold a total of only 1 million shares between 1991 and 2006. Rodgers will have 340,000 options and restricted shares become actionable in 2008, with the potential for more if certain performance targets are achieved (see Appendix A).

- **Ahmad Chatila (40)** – Executive V.P., Memory and Imaging Division, Manufacturing. Chatila has been with Cypress for his entire professional career and has been a Section 16 filer since receiving the promotion to his current position in 2005. He surfaced on October 19th to execute his first sales and made quite a statement, cashing in 171,811 shares, **equal to 97% of his position.** In order to sell this many shares, Chatila monetized every last vested option at his disposal, tapping into 10 different series with expiration dates between June 2011 and October 2016. In addition, he cleared out shares that had just become unrestricted on October 1st and sold the entire shares accumulated through the Company's ESPP plan, "flipping" those acquired as recently as June (a first for him). Only a small fraction of the ownership diversified away will be replaced in the near future, as Chatila will only have 36,500 options and shares vest through December 2008 (see Appendix A).
- **Dinesh Ramanathan (37)** – Executive V.P., Data Communications Division. Ramanathan has shown an aversion to holding CY stock since first registering as an insider in December 2005. Almost immediately after gaining shares, either from the vesting of restricted stock or ESPP purchases, he has consistently divested the equity. In April 2007 he executed his first option-related sale on record, monetizing 21,000 in the \$22 range. He picked up his pace as Cypress reached new five-year highs in Q4, tapping into all five of his option series (expiration dates: May 2014 to October 2016) to sell 42,150 shares at \$33. **The sales wiped out 90% of his ownership and leave him with no common.** Although the better part of his holdings will be replaced through December 2008, at which time he will vest in 37,000 options and restricted shares (see Appendix A), we are interested in his unwillingness to have exposure to CY shares.
- **Brad Buss (42)*** – Executive V.P., Chief Financial Officer. Buss sold 60,000 shares on October 22nd, his first disposition since joining the Company in August 2005. He monetized part of his new-hire option series en route to **shedding nearly 50% of his actionable holdings.** He will gain access to 80,000 options and shares over the next 14 months (see Appendix A), so the ownership diversified will be eventually restocked. His actions accentuate the post-earnings sell off and give further evidence that management believes the shares are fully valued.
- **Independent Board Members** – Cypress currently has six independent board members, five of whom sold in the recent round. Three of the four Audit Committee members lightened their positions (holdings reduction): Committee Chairman **W. Steve Albrecht (55%), Eric Benhamou (30%)** and **J. Daniel McCranie (98%),** while Compensation Committee Chairman **James Long** and **Evert van de Ven** sold 50% and 40% of their holdings, respectively. Many of these directors are first-time

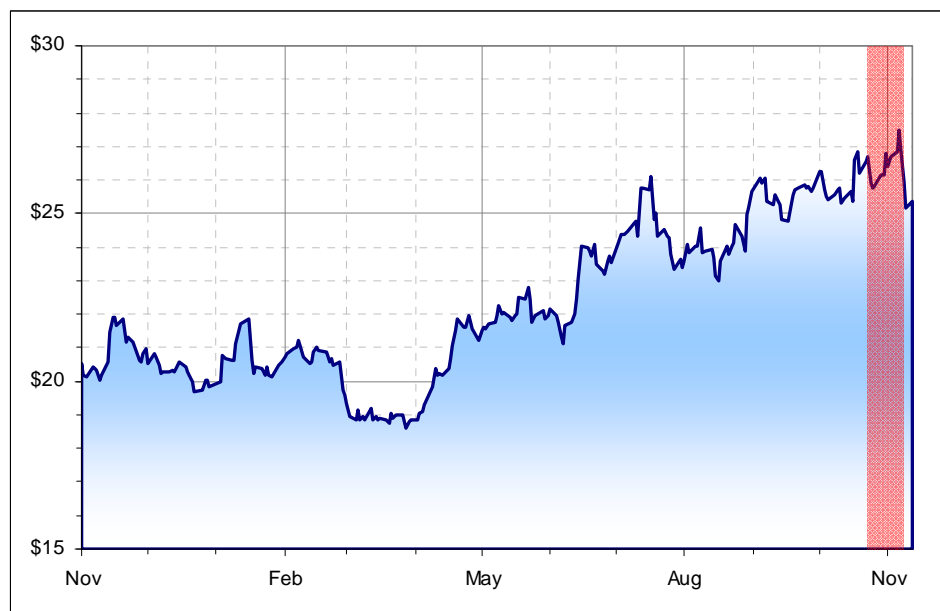
sellers, including McCranie, a former CY officer (1993 – 2001), who sold for the first time since joining the board in 2005.

* Indicates individual was a “Named Executive” in the Company’s last proxy.

Intel Corp. (NASDAQ: INTC)

The heads of some of the largest companies in big tech have done their fair share of cheerleading in recent months, predicting economic growth and continued demand into 2008. One could even surmise that technology firms were headed back to the glory days of 2000 based on all the confidence emanating from the West Coast. But while corporate leaders have been out rallying investors and analysts, we have seen an extraordinary amount of stock being sold out the back door from the likes of Cisco Systems Inc. (see Research Notes on [08/29/07](#) and [09/28/07](#)), Oracle Corp. (see Insider Research Bulletin dated [10/11/07](#)), and EMC Corp. insiders, to name a few, and now Intel managers enter the mix. Since October 23rd, 2.8 million insider-owned shares have hit the market at an average price of \$26, marking the most aggressive round of sales since Intel traded in the \$50 to \$60 range in the first quarter of 2000.

Figure 2. INTC Daily Closing Price, 11/01/06 through 11/13/07. Red shaded area is where 10 insiders sold 2.8 million shares. Source: Reuters and INTC SEC Filings.



To say the behavior exhibited by Intel management contradicts the current sell-side sentiment is an understatement, as 31 of the 40 analysts covering the Company currently rate the stock a “buy” or “strong buy” following the surprise Q3 earnings. But we have been down this road plenty of times in the past, and even quite recently when sales by Cisco insiders, preceding their disappointing guidance, were at odds with The Street’s exuberance. The big news on Intel’s report date was not so much the 43% earnings increase and second consecutive quarter of sales gains, but improved margins (52%), which had fallen short of the Company’s guidance in the prior quarter. The

Company went on to issue guidance for sales, earnings and margins that exceeded analysts' expectations. It has become evident the pendulum has once again shifted in Intel's heated battle for market share with Advanced Micro Devices (NYSE: AMD), as AMD has been unable to turn a profit this year for which its stock has paid the price, trailing Intel nearly 70% year-to-date.

We are left to wonder, with all of the posturing by Intel management, why the out of character sales following the earnings release. The nature of the individual trades gives reason to question management's confidence for the current quarter and the issue's current valuation. For one, there were some subtle 10b5-1 actions during the period that probably went unnoticed to the untrained eye, but shine brightly to us. **David Perlmutter**, head of the Mobility Group that accounts for nearly 40% of Intel's revenues through the first nine months, amended his personal sales plan on November 2nd, just three months after its adoption and the execution of his first and only plan sale. Although the Company has not made any of his plan terms public, it is apparent he increased the shares available for sale. After waiting nearly a month after the August 3rd original adoption date to sell 28,000 shares, Perlmutter quickly monetized 190,000 options *just four days after the amendment*. Not only do securities attorneys advise clients not to amend plans once they are established, as they can jeopardize the "good faith" provision of Rule 10b5-1, but strongly recommend waiting 30 to 60 days, after adoption/revision, before commencing the sales. While he did make the amendment during an open trading window, this behavior is exactly what the SEC has openly stated is on its radar. Perlmutter did not act alone.

The general manager of the Digital Enterprise Group, **Patrick Kilroy**, amended a plan on October 30th that he had entered into in July, and sold just two days later. After initially waiting two months to sell under the original plan, this hasty activity after the amendment date also raises our antennae. We should also add here that Kilroy's co-manager in the Digital Enterprise Group, **Patrick Gelsinger**, is the only other Intel officer to enter into a sales plan (October 24th). He has historically monetized only options that were nearing expiration, but two weeks after entering into his plan, he deviated from his prior behavior by cashing in options not set to expire until 2013.

An additional reason we believe a fourth quarter earnings surprise (positive) might not be in the cards is because of the six insiders who recently cashed in their entire April 2008 option series. Since Intel's insiders are limited to trading in post-earnings windows, they would have had one more opportunity, following the January earnings release, to monetize this series, since the next window (late April) would open after they expire. One would presume that after holding this particular series for nearly ten years, the insiders would hold the options a few more months if they anticipated a positive earnings surprise that would increase the profits on this series. This is a group that has historically been opportunistic, holding their options until the last available date before expiration, so this represents a significant behavioral shift. We also note that the options yielded most sellers a pre-tax profit around 30%, well below the historical spread on their option-related sales.

Intel's insiders clearly jumped at the chance to take profits on their lower priced options and there might have been an additional motivation to do so while the window of opportunity was still open. This year's share price gains have unlocked value in a handful of their options that had previously been under water or marginally profitable. What remains, following the recent round of sales, is vested equity carrying higher strike

prices, including large percentages of each individual's holdings that are currently out of the money. The table below lists the amount of vested options, broken down by those in the money and under water, and their weighted average strike prices. Not only do they hold a considerable amount that will require Intel shares to appreciate between 25% to 50% for them to be profitable, but more importantly, those options currently in-the-money are dangerously close to slipping under water. With so many vested options just under water, it is interesting to note that it would not take much of a drop in Intel shares to render them worthless. It is worth keeping an eye out to see whether these executives move to take profits on these options, however slim, in the near term.

Executive	Vested In-the-Money Options	Average Price	Vested Under Water Options	Average Price
R. Baker	564,713	\$22.33	240,426	\$35.62
A. Bryant	316,000	\$23.93	771,704	\$31.31
P. Gelsinger	450,040	\$21.29	249,164	\$37.79
W. Holt	285,742	\$20.65	134,734	\$34.35
P. Otellini	1,116,000	\$21.36	1,166,586	\$32.12
D. Perlmutter	138,010	\$21.29	229,080	\$35.21
S. Smith	86,520	\$22.11	89,999	\$32.14

Insider behavior aside, there seems to be reason for shareholders to be guarded moving forward. While Intel's projected revenue (\$10.5 billion to \$11.1 billion) for the fourth quarter tops consensus expectations, the low end of the guidance indicates below-seasonal Q4 growth. AMD's guidance confirms a certain degree of uncertainty in the marketplace, as they would only offer up projections that "revenue would increase in line with seasonality", while also noting on their conference call that Intel's weaker-than-seasonal fourth quarter "provides a valid view of current market conditions". Add to this the earnings release from Applied Materials (NASDAQ: AMAT) earlier this week, who counts Intel and AMD as two key customers, which warned fiscal first quarter (period ending January 27) would decline 13% to 18% year-over-year on weak demand for computer DRAMS. Finally, Intel's cost-cutting measures have been a key driver of their profit growth over the past two quarters. A key component of this initiative has been employee layoffs as they have let go 10% of the workforce in the past year. And the just announced layoff of another 2,000 workers before year-end may help the bottom line, but is clearly not going to help morale.

- **Robert Baker (51)*** – Senior V.P., General Manager, Technology and Manufacturing Group. There are a number of reasons we are interested in Baker's two sales since August, starting with his second trade, an option-related sale of 40,000 shares on November 1st. Baker has historically only acted on his options in the last trading window before the options expire. This was the case with his last two sales in August 2006 and January 2007. In November he cashed out a series set to expire in April, which would have allowed for one more trading opportunity in January after the

Company releases Q4 earnings. This subtle behavior change shows a new urgency to sell that was not apparent in the past. Secondly, Baker sold 70% of his common stock (560,239 shares) on August 3rd and August 6th. This was only the second time he sold common since filing as a Section 16 insider in 2001. The last instance, in December 2005, occurred just weeks before Intel reported the worst Q4 earnings in five years, dropping the shares 12% on the day and 30% over the ensuing four months. These two latest moves, which **erased 50% of his total actionable ownership**, leave us to wonder what lies around the corner. Baker will have 220,000 options and shares vest by year-end 2008, some of which are underwater at the current market price (see Appendix B).

- **Andy Bryant (57)*** – Executive V.P., Chief Administrative Officer. Bryant executed his largest-ever sale on November 1st, monetizing 516,352 options that were not set to expire until November 2012 and August 2013. After his last three option-related sales generated an average pre-tax profit of 170%, Bryant's November options exercises carried a 33% spread. While this is still a healthy return on his equity, it is a far cry from what he accepted for his options in the past. **The shares sold accounted for 50% of his actionable ownership**, but this percentage increases considerably if INTC trades below \$25, as half of his remaining ownership would slip underwater. We also notice that in each of his prior three option exercises, Bryant had retained 7% to 10% of the shares exercised for, compared to the 12,500 shares (2%) he kept in his November trade. Although Bryant will have 380,000 options and shares become actionable by December 2008, nearly 40% of these are currently out of the money (see Appendix B).
- **David Perlmutter (53)** – Senior V.P., General Manager, Mobility Group. Perlmutter is another example of an Intel insider with a subtle, yet telling, behavioral shift. Ten years into his employment, Perlmutter adopted a 10b5-1 sales plan in August and executed his first plan sale of 28,000 shares nearly one month later (August 29th). He modified the plan on November 2nd and four days later monetized 190,000 options scheduled to expire in September 2008. We have an insider amending a plan after just one sale, increasing his volume, **selling 50% of his holdings quickly after adoption**, and failing to carry out a delay period. We should add this was the first time his sales were not on account of expiring options. Perlmutter will gain access to nearly 200,000 new options and shares through next year, though roughly one-third of these would not be actionable if the issue remained in its current price range (see Appendix B).
- **Stacy Smith (44)** – V.P., Chief Financial Officer. Very few of Intel's top officers are as familiar with the Company's operations as CFO Smith, who has held top positions in sales, marketing, finance and information technology (CIO). While he might not be listed as a "named executive", his recent activity is very relevant. Smith surfaced for the first time on October 31st, just two weeks after being promoted to full-time CFO, monetizing three series of options (expiration dates: April 2008, November 2011, April 2012) to sell 55,435 shares, **equal to 37% of his actionable holdings**. This reduction is slightly deceiving, as nearly 60% of his remaining vested in-the-money options will be under water if INTC slips just \$2. It would seem he was resolved to lock in whatever profits he could lest other options become un-exercisable. We suspect that after holding his April 2008 option series for nearly ten years, he would have waited until January to sell if he anticipated a positive earnings surprise in Q4.

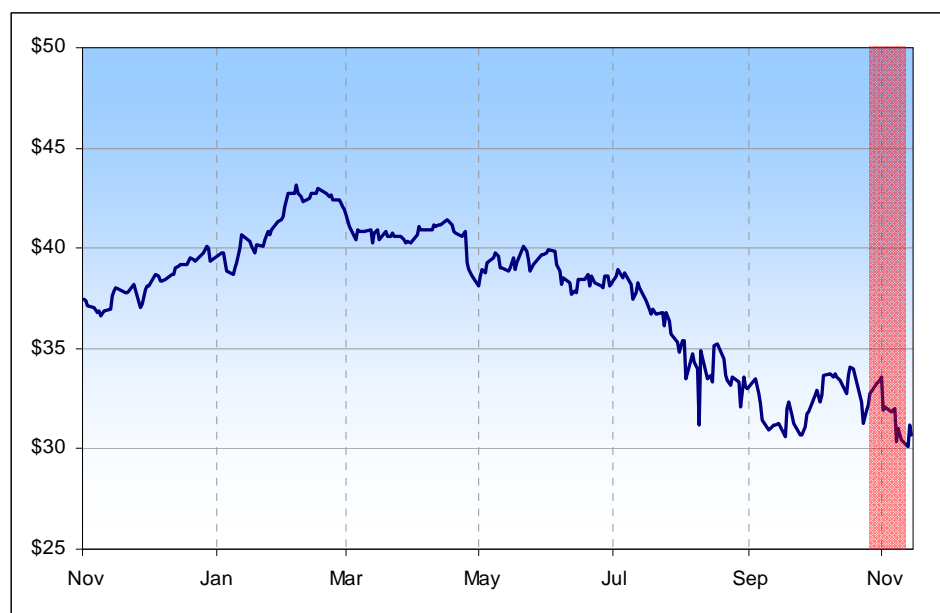
He will have roughly 100,000 options and shares vest by the end of 2008 (see Appendix B).

* Indicates individual was a "Named Executive" in the Company's last proxy.

Regis Corp. (NYSE: RGS)

For a company that has had such a difficult time over the past few years convincing investors and analysts it was on the right track, and has admitted that management's inability to react to changing industry trends delayed the Company's advancement, one would think Regis insiders would be doing and saying all the right things these days to re-establish confidence. Saying all the right things has never been one of their shortcomings, which holds true for most corporate managers, but Regis shareholders are rarely disillusioned for long as this executive team's actions dependably expose their public pretenses. Just two sessions after the Company released fiscal first quarter 2008 earnings (October 22nd) that included many of the same recurring hang-ups, five insiders staged the largest round of sales in the past ten years. Between October 24th and November 13th a total of 404,607 shares were distributed at prices starting at the newly-established four-year low of \$30 to \$32, roughly 30% off the year-to-date high of \$43.35. This is definitely one of those instances where we would love to hear insiders rationalize their behavior.

Figure 3. RGS Daily Closing Price, 11/01/06 through 11/14/07. Red shaded area is where 5 insiders sold 404,000 shares. Source: Reuters and RGS SEC Filings.



As mentioned, the hair salon operator issued fiscal Q1 earnings that declined 11% due to higher operating costs. While sales did pick up over the same quarter last year, the focus was on the marginal 0.9% consolidated same-store sales increase, which continues to be dragged down by diversion issues plaguing the Company's product sales (Trade Winds). When asked by an analyst on the conference call for a

diversion forecast, CEO **Paul Finkelstein** admitted that it continues to trend in the wrong direction. Another sticking point is the foot traffic for its salon service operations, which was down slightly, forcing the Company to lower its previously issued 2008 comp guidance range by 25%. To this, Finkelstein commented that service comps are “very, very strong”, but acknowledged the numbers were being compared to difficult periods years ago. One final dilemma that is clearly under his skin is the “long hair phenomenon”, which he has never shied away from giving his opinion on. A more “casual lifestyle” has led to more people growing out their hair, which in turn lengthens the salon visitation cycle. Finkelstein has repeatedly professed that the cycle is nearing an end, but the statistics prove otherwise. We point to a very interesting conference call exchange between an analyst and Finkelstein and will allow our readers to draw their own conclusions.

Analyst: Paul, one more question I guess on long hair. Can you talk a little bit...

Paul Finkelstein, CEO: I hate long hair, Justin.

Analyst: It's in your press release, I understand.

Paul Finkelstein: Yes, I know.

Analyst: You put it out there. I'm going to ask. And just with the comment, I'm seeing some of the things you're saying now on the trend. But some of the things I see worry me about them just being a part of change in season and people wanting a change in hair style. Can you point to something in your data that would give us more comfort that this trend is ending?

Paul Finkelstein: Yes, 2.7%.

Analyst: More than that. More than what we saw today.

Analyst: In our business, the numbers mean everything. And if you have 2.7% North American service comps contrasted to 0.5% the year before, then more people are coming in more often to get their haircut. It's as simple as that. The numbers tell everything in our business. When you have 12,000 stores, you only have -- the only thing you can look at is the numbers.

While the numbers might mean everything to Finkelstein, they apparently do not bear the same significance for investors, as Regis shares were reduced to a new low after the earnings release.

Though there are plenty of insider trading situations where we provide an abundance of detail and direct our clients to the most significant behaviors, this situation requires little narrative on our part. We can probably count on one hand how many times a year we see insiders selling at such depressed levels, and even fewer cases involve several participants. This is a management team that has been routinely criticized for its actions (or lack thereof) and these recent sales confirm their disregard for the court of public opinion. CEO Finkelstein unloaded 50% of his position through November 12th, selling more than he had cumulatively over the past fifteen years. We wonder if his sales were a topic of conversation when he took the podium at the 2007 Bear Stearns SMid Cap Investor Conference on November 14th. His right hand man,

Chief Financial Officer **Randy Pearce**, cashed in more than 80% of his holdings just two days after his encouraging earnings call presentation. Making these sales even more beneficial to the insiders is the fact they are compensated with stand-alone (no tandem options) stock appreciation rights (SARs), instead of conventional options. As a result, there are no out-of-pocket acquisition costs, as these particular SARs are settled in stock with value equal to the difference between the strike price and market price at the time of exercise. All off the cash goes directly to the insiders, less the related taxes. Additional detail on all of the sellers can be found below.

A closer look at the composition of the executive team and board of directors provides some clues why management decisions have seemed bush league at times yet have had no repercussions. Regis' top five executives have all worked together in the executive office for the past ten years, and then some. There has been very little "new blood" entering the senior ranks during this time. And the board is just as entrenched. The last individual elected to the board was Founder, Vice Chairman **Myron Kunin's** son, **David Kunin**, and that was back in 1997. There are currently seven board members, four of whom are classified independent by Regis. These four members have held seats on each of the three board committees (Audit, Compensation and Nominating and Corporate Governance) for the past ten years. It could definitely be surmised that the "staleness" of Regis' hierarchy may have stifled its ability to stay ahead of changing demographics and industry trends. These long-standing relationships are clearly the underpinning for the back scratching that has come to pass between the boardroom and executive offices.

We cannot recall having seen such liberal retirement packages provided across the board to an executive team. Under the employment extension provided to CEO Finkelstein earlier in the year, a retirement would entitle him to 60% of his \$1 million salary each year for the remainder of his life. If he is survived by his *former* spouse, she would receive one-half of his annual benefit for the remainder of her years. If his employment is terminated without cause, or he resigns for good reason, he will receive not only the above retirement benefits, but also severance pay in the amount of \$5.2 million. The rest of his executive team's retirement packages are similar, only they will get 40% of their annual salary for 20 years. If they are to pass away, their beneficiaries would receive the remainder of the 20 years of payments. VC Kunin signed his own compensation agreement in fiscal 2007 that currently pays him an annual base salary of nearly \$800,000. If he were to voluntarily resign, regardless of the reason, he stands to receive a lump-sum payment of \$5.8 million. This seems to be overkill for a 79 year-old that holds \$30 million in company stock. We have to suspect any shareholder contemplating the 30% decline in Regis' stock this year would be disenchanted reading the fine print of the employment agreements in conjunction with the recent operational woes and hefty profits gained by insiders from their stock sales.

- **Paul Finkelstein (65)*** – Chairman, President, Chief Executive. Never before have we seen such aggressive profit taking by Regis' long-time chief executive, Paul Finkelstein. Only once in the past 15 years had he ever sold more than 60,000 shares during a quarter, and that sale (225,000 shares in April 2003) was attributable to stock appreciation rights (SARs) approaching expiration. With the shares now trading at a four-year low, one would expect to see him picking up shares on the open market as he did when the shares sold off in late 2002. On the contrary, Finkelstein opted to **cash out 53% of his actionable holdings**. Between November 7th and November 12th he monetized 233,000 shares from three series (expiration

dates: May 2008, February 2010 and October 2010) at prices of \$30 and \$31. Since there was no exercise cost associated with the transaction, he recorded a pre-tax profit of \$6.8 million. The SARs scheduled to expire next year accounted for a small percentage (10%) of the total monetized. These bold trades are even more remarkable considering he will only have 18,454 SARs and restricted shares become actionable each of the next two years (see Appendix C), which will do little to raise his holdings up from these unprecedented low levels.

- **Randy Pearce (52)*** – Senior Executive V.P., Chief Financial and Administrative Officer. Before Finkelstein took action, **CFO Pearce shed 83% of his ownership** between October 24th and October 26th, just days after the Company released fiscal first quarter earnings. The 135,000 shares (\$4.3 million) eclipsed the amount he had sold *cumulatively* over the last ten years. The shares sold came from three series not scheduled to expire until 2009 and 2010. We note that he has apparently lowered his expectations for fair value of his shares, as his last sale in November 2003 was executed at 25% higher prices. With just 14,000 SARs and restricted shares scheduled to vest through December 2009 (see Appendix C), and ownership requirements that obligate him to increase his common position from its current level, it would seem he felt the window of opportunity to take profits was closing.
- **Gordon Nelson (56)*** – Executive V.P., Fashion, Education and Marketing. You could say that Nelson is a Regis “lifer”, having served the Company for most of his professional career (1970). He has been one of the more regular sellers over the years, never allowing his holdings to accrue to meaningful levels. Yet, despite his 15 sale transactions over the past ten years, only a few were executed at equal or lower prices than those accepted recently. On November 7th Nelson tapped into three different SARs series with expiration dates in 2009 and 2010 to sell 17,634 shares at \$31. **He parted with 31% of his ownership** at a considerably lower price than his last nine sales dating back to 2003, which averaged (weighted) \$41 per share. Barring any further profit taking, it will take Nelson nearly four years, based on the 8,200 shares scheduled to vest through 2009, to replenish the ownership clipped this month (see Appendix C).
- **Kris Bergly (46)** – Executive V.P., Chief Operating Officer. While Bergly might have had his hands tied holding a series of SARs scheduled to expire next May, acting on them at these lows with six months remaining before the cut-off date hardly conveys optimism that RGS is destined for a near-term recovery. On November 2nd he monetized the remaining 7,500 in the series. While the shares accounted for just a small fraction (17%) of his actionable ownership, the subtext of his Pavlovian response to the falling stock price is more relevant. While he will gain access to 5,200 shares through 2008, half of these are underwater at the current market price (see Appendix C).

* Indicates individual was a “Named Executive” in the Company’s last proxy.

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Appendix A

Option and Restricted Stock Vesting Schedules for Selected Cypress Semiconductor Corp. Insiders

Grant Date	Equity Type	Options/Shares	Strike Price (Options)	First Vesting Date	Expiration Date (Options)	Remaining Options/Shares in Series	Unvested Options/Shares in Series	Vesting Dates of Remaining Restricted Shares/Options
Brad Buss, Executive V.P., Chief Financial Officer. Common stock holdings: 4,878 shares								
08/15/05	Options	300,000	\$15.23	08/15/06	08/15/15	240,000	183,750	5,000 vest per month through 8/10
10/27/06	Options	32,000	\$16.43	11/01/06	10/27/16	32,000	25,067	533 vest each month through 11/11
10/27/06	R. Stock	10,667	N/A	10/01/07	10/01/11	8,534	8,534	10/01/08, 10/01/09, 10/01/10, 10/01/11
Ahmad Chatila, Executive V.P.-Memory and Imaging Division, Manufacturing. Common stock holdings: 3,595 shares								
03/27/03	Options	23,000	\$7.37	03/27/03	03/27/13	2,300	1,917	383 vest each month through 3/08
10/23/03	Options	20,000	\$9.60	10/01/04	10/23/13	8,000	7,667	333 vest each month through 10/09
10/08/04	Options	20,000	\$9.03	10/08/04	10/08/14	7,334	7,334	333 vest each month through 10/09
02/25/05	Options	20,000	\$14.55	04/01/05	02/25/15	10,000	9,667	333 vest each month through 4/10
07/18/05	Options	55,000	\$13.92	07/18/05	07/18/15	30,250	30,250	916 vest each month through 7/10
10/27/06	Options	33,600	\$16.43	11/01/06	10/27/16	26,880	26,880	560 vest each month through 11/11
10/27/06	R. Stock	7,467	N/A	10/01/07	10/01/11	5,974	5,974	10/01/08, 10/01/09, 10/01/10, 10/01/11
J. Daniel McCranie, Director. Common stock holdings: 1,239 shares								
02/28/05	Options	80,000	\$14.08	02/28/06	02/28/15	48,000	48,000	02/28/08, 02/28/09, 02/28/10
04/29/05	Options	3,287	\$11.99	04/29/05	04/29/15	1,699	1,644	54 vest each month through 4/10
05/01/06	Options	20,000	\$17.17	05/01/06	05/01/16	14,334	14,000	333 vest each month through 5/11
05/11/07	R. Stock	10,000	N/A	¹	¹	10,000	10,000	¹
Dinesh Ramanathan, Executive V.P.-Data Communications Division. Common stock holdings: 0 shares								
05/10/04	Options	24,000	\$14.58	04/21/05	05/10/14	7,800	7,200	400 vest each month through 4/09
02/25/05	Options	7,500	\$14.55	04/01/05	02/25/15	3,875	2,375	125 vest each month through 4/10
12/09/05	Options	100,000	\$14.51	12/09/05	12/09/15	65,001	61,667	1,666 vest each month through 12/10
10/27/06	Options	28,000	\$16.43	11/01/06	10/27/16	22,400	22,400	466 vest each month through 11/11
10/27/06	R. Stock	9,333	N/A	10/01/07	10/01/11	7,467	7,467	10/01/08, 10/01/09, 10/01/10, 10/01/11
T.J. Rodgers, President, Chief Executive Officer, Director. Common stock holdings: 420,025 shares								
09/17/98	Options	200,000	\$8.37	09/17/99	09/17/08	200,000	0	Fully Vested
10/01/99	Options	300,000	\$21.50	10/01/00	10/01/09	300,000	0	Fully Vested
12/14/00	Options	400,000	\$23.19	12/14/01	12/14/10	400,000	0	Fully Vested



Appendix A

Option and Restricted Stock Vesting Schedules for Selected Cypress Semiconductor Corp. Insiders

Grant Date	Equity Type	Options/Shares	Strike Price (Options)	First Vesting Date	Expiration Date (Options)	Remaining Options/Shares in Series	Unvested Options/Shares in Series	Vesting Dates of Remaining Restricted Shares/Options
03/16/01	Options	300,000	\$16.73	03/16/02	03/16/11	300,000	0	Fully Vested
08/07/02	Options	300,000	\$10.50	08/07/03	08/07/12	300,000	0	Fully Vested
04/11/03	Options	280,000	\$7.56	04/11/04	04/11/13	280,000	56,000	04/11/08
01/02/04	Options	350,000	\$21.34	1/2/2005	01/02/14	350,000	140,000	01/02/08, 01/02/09
02/03/05	Options	380,000	\$11.40	5/3/2005	02/03/15	380,000	31,667	02/03/08
02/25/05	Options	350,000	\$14.55	02/25/06	02/25/15	350,000	210,000	02/25/08, 02/25/09, 02/25/10
02/25/05	Options	735	\$36.38	02/25/06	02/25/15	735	441	02/25/08, 02/25/09, 02/25/10
02/25/05	Options	1,288	\$14.55	02/25/06	02/25/15	1,288	773	02/25/08, 02/25/09, 02/25/10
06/30/06	Options	425,000	\$14.54	06/30/07	06/30/16	425,000	340,000	06/30/08, 06/30/09, 06/30/10, 06/30/11
06/30/06	R. Stock	100,000	N/A	06/30/07	06/30/08	50,000	50,000	06/30/08

Norman Taffe, Executive V.P.-Consumer and Computation Division. Common stock holdings: 1,993 shares

09/30/99	Options	8,755	\$21.50	10/01/99	09/30/09	8,755	0	Fully Vested
07/09/01	Options	9,500	\$21.34	07/09/01	07/09/11	9,500	0	Fully Vested
07/16/01	Options	8,900	\$22.15	07/16/01	07/16/11	8,900	0	Fully Vested
10/08/01	Options	9,000	\$16.84	10/08/01	10/08/11	9,000	0	Fully Vested
10/01/02	Options	4,500	\$6.44	10/01/02	10/01/12	1,000	0	Fully Vested
03/27/03	Options	5,425	\$7.37	03/27/03	03/27/13	905	452	90 vest each month through 3/08
10/23/03	Options	10,000	\$19.60	10/01/04	10/23/13	6,000	4,000	166 vest each month through 10/09
02/25/05	Options	15,000	\$14.55	04/01/05	02/25/15	15,000	7,500	250 vest each month through 4/10
06/08/05	Options	15,000	\$13.72	06/08/05	06/08/15	7,800	7,500	250 vest each month through 6/10
09/06/05	Options	35,000	\$16.24	09/06/05	09/06/15	35,000	23,749	583 vest each month through 9/10
12/08/05	Options	20,000	\$14.16	12/08/05	12/08/15	20,000	12,333	333 vest each month through 12/10
10/27/06	Options	28,000	\$16.43	11/01/06	10/27/16	28,000	22,408	466 vest each month through 11/11
10/27/06	R. Stock	9,333	N/A	10/01/07	10/01/11	7,466	7,466	10/01/08, 10/01/09, 10/01/10, 10/01/11

¹ Vest over five years with 20% each year on the date immediately prior to Cypress' regularly scheduled stockholders meeting.



Appendix B

Option and Restricted Stock Vesting Schedules for Selected Intel Corp. Insiders

Grant Date	Equity Type	Options/Shares	Strike Price (Options)	First Vesting Date	Expiration Date (Options)	Remaining Options/Shares in Series	Unvested Options/Shares in Series	Vesting Dates of Remaining Restricted Shares/Options
Robert Baker, Senior V.P., GM - Technology and Manufacturing Group. Common stock holdings: 263,334 shares								
04/13/99 Options		33,000	\$30.70	04/13/00	04/13/09	33,000	0	Fully Vested
04/25/00 Options		54,000	\$61.19	04/25/01	04/25/10	54,000	0	Fully Vested
03/21/01 Options		21,426	\$25.69	03/21/02	03/21/11	21,426	0	Fully Vested
04/10/01 Options		72,000	\$24.23	04/10/02	04/10/11	72,000	0	Fully Vested
10/31/01 Options		72,000	\$24.37	04/13/07	10/31/11	72,000	0	Fully Vested
03/26/02 Options		200,000	\$30.50	03/26/08	03/26/12	200,000	200,000	03/26/08, 03/26/09, 03/26/10, 03/26/11
04/09/02 Options		57,000	\$29.33	04/09/03	04/09/12	57,000	0	Fully Vested
11/25/02 Options		211,213	\$20.23	11/25/07	11/25/12	211,213	100,000	11/25/07, 11/25/08, 11/25/09, 11/25/10
04/22/03 Options		212,000	\$18.63	04/22/04	04/22/13	212,000	0	Fully Vested
04/15/04 Options		100,000	\$27.00	04/15/05	04/15/14	100,000	25,000	04/15/08
04/21/05 Options		125,000	\$23.16	04/21/06	04/21/12	125,000	62,500	04/21/08, 04/21/09
04/21/06 Options		140,000	\$19.51	04/21/07	04/21/13	140,000	105,000	04/21/08, 04/21/09, 04/21/10
04/21/06 R. Stock		12,000	N/A	04/21/07	04/21/10	9,000	9,000	04/21/08, 04/21/09, 04/21/10
01/18/07 Options		65,000	\$20.70	01/18/12	01/18/17	65,000	65,000	01/18/12
01/18/07 R. Stock		9,250	N/A	01/18/12	01/18/12	9,250	9,250	01/18/12
04/19/07 Options		180,000	\$21.52	04/19/08	04/19/14	180,000	180,000	04/19/08, 04/19/09, 04/19/10, 04/19/11
04/19/07 R. Stock		25,500	N/A	04/19/08	04/19/11	25,500	25,500	04/19/08, 04/19/09, 04/19/10, 04/19/11
Craig Barrett, Chairman. Common stock holdings: 3,307,984 shares								
04/14/98 Options		288,000	\$19.00	04/14/99	04/14/08	288,000	0	Fully Vested
04/13/99 Options		216,000	\$30.70	04/13/00	04/13/09	216,000	0	Fully Vested
04/25/00 Options		200,000	\$61.19	04/25/01	04/25/10	200,000	0	Fully Vested
03/21/01 Options		84,696	\$25.69	03/21/02	03/21/11	84,696	0	Fully Vested
04/10/01 Options		200,000	\$24.23	04/10/02	04/10/11	200,000	0	Fully Vested
10/31/01 Options		200,000	\$24.37	04/13/07	10/31/11	200,000	0	Fully Vested
03/26/02 Options		200,000	\$30.50	03/26/08	03/26/12	200,000	200,000	03/26/08, 03/26/09, 03/26/10, 03/26/11
04/09/02 Options		584,000	\$29.33	04/09/03	04/09/12	584,000	0	Fully Vested
01/22/03 Options		1,000,000	\$16.42	01/22/09	01/22/13	1,000,000	1,000,000	01/22/09, 01/22/10, 01/22/11, 01/22/12
04/22/03 Options		350,000	\$18.63	04/22/04	04/22/13	350,000	0	Fully Vested
04/15/04 Options		350,000	\$27.00	04/15/05	04/15/14	350,000	87,500	04/15/08
04/21/05 Options		250,000	\$23.16	04/21/06	04/21/12	250,000	125,000	04/21/08, 04/21/09
04/21/06 Options		200,000	\$19.51	04/21/07	04/21/13	200,000	150,000	04/21/08, 04/21/09, 04/21/10
04/21/06 R. Stock		2,562	N/A	04/21/07	04/21/10	1,921	1,921	04/21/08, 04/21/09, 04/21/10



Appendix B

Option and Restricted Stock Vesting Schedules for Selected Intel Corp. Insiders

Grant Date	Equity Type	Options/Shares	Strike Price (Options)	First Vesting Date	Expiration Date (Options)	Remaining Options/Shares in Series	Unvested Options/Shares in Series	Vesting Dates of Remaining Restricted Shares/Options
04/19/07	Options	140,000	\$21.52	04/19/08	04/19/14	140,000	140,000	04/19/08, 04/19/09, 04/19/10, 04/19/11
04/19/07	R. Stock	20,000	N/A	04/19/08	04/19/11	20,000	20,000	04/19/08, 04/19/09, 04/19/10, 04/19/11

Andy Bryant, Executive V.P., Chief Administrative Officer. Common stock holdings: 207,381 shares

04/13/99	Options	90,000	\$30.70	04/13/00	04/13/09	90,000	0	Fully Vested
04/25/00	Options	90,000	\$61.19	04/25/01	04/25/10	90,000	0	Fully Vested
03/21/01	Options	37,704	\$25.69	03/21/02	03/21/11	37,704	0	Fully Vested
04/10/01	Options	108,000	\$24.23	04/10/02	04/10/11	108,000	0	Fully Vested
10/31/01	Options	108,000	\$24.37	04/13/07	10/31/11	108,000	0	Fully Vested
03/26/02	Options	400,000	\$30.50	03/26/08	03/26/12	400,000	400,000	03/26/08, 03/26/09, 03/26/10, 03/26/11
04/09/02	Options	404,000	\$29.33	04/09/03	04/09/12	404,000	0	Fully Vested
11/25/02	Options	528,852	\$20.23	11/25/07	11/25/12	200,000	200,000	11/25/07, 11/25/08, 11/25/09, 11/25/10
04/15/04	Options	200,000	\$27.00	04/15/05	04/15/14	200,000	50,000	04/15/08
04/21/05	Options	200,000	\$23.16	04/21/06	04/21/12	200,000	100,000	04/21/08, 04/21/09
04/21/06	Options	180,000	\$19.51	04/21/07	04/21/13	180,000	180,000	04/21/08, 04/21/09, 04/21/10
04/21/06	R. Stock	15,000	N/A	04/21/07	04/21/10	11,250	11,250	04/21/08, 04/21/09, 04/21/10
04/19/07	Options	235,000	\$21.52	04/19/08	04/19/14	235,000	235,000	04/19/08, 04/19/09, 04/19/10, 04/19/11
04/19/07	R. Stock	33,500	N/A	04/19/08	04/19/11	33,500	33,500	04/19/08, 04/19/09, 04/19/10, 04/19/11

Patrick Gelsinger, Senior V.P., GM - Digital Enterprise Group. Common stock holdings: 292,760 shares

04/13/99	Options	72,000	\$30.70	04/13/00	04/13/09	72,000	0	Fully Vested
04/25/00	Options	72,000	\$61.19	04/25/01	04/25/10	72,000	0	Fully Vested
03/21/01	Options	60,328	\$25.69	03/21/02	03/21/11	30,164	0	Fully Vested
04/10/01	Options	72,000	\$24.23	04/10/02	04/10/11	72,000	0	Fully Vested
10/31/01	Options	72,000	\$24.37	04/13/07	10/31/11	72,000	0	Fully Vested
03/26/02	Options	200,000	\$30.50	03/26/08	03/26/12	200,000	200,000	03/26/08, 03/26/09, 03/26/10, 03/26/11
11/25/02	Options	143,540	\$20.23	11/25/07	11/25/12	143,540	100,000	11/25/07, 11/25/08, 11/25/09, 11/25/10
04/22/03	Options	212,000	\$18.63	04/22/04	04/22/13	165,000	0	Fully Vested
04/15/04	Options	100,000	\$27.00	04/15/05	04/15/14	100,000	25,000	04/15/08
04/21/05	Options	125,000	\$23.16	04/21/06	04/21/12	125,000	62,500	04/21/08, 04/21/09
04/21/06	Options	140,000	\$19.51	04/21/07	04/21/13	140,000	105,000	04/21/08, 04/21/09, 04/21/10
04/21/06	R. Stock	12,000	N/A	04/21/07	04/21/10	9,000	9,000	04/21/08, 04/21/09, 04/21/10
01/18/07	Options	65,000	\$20.70	01/18/12	01/18/17	65,000	65,000	01/18/12
01/18/07	R. Stock	9,250	N/A	01/18/12	01/18/12	9,250	9,250	01/18/12



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04/19/07	Options	180,000	\$21.52	04/19/08	04/19/14	180,000	180,000	04/19/08, 04/19/09, 04/19/10, 04/19/11
04/19/07	R. Stock	25,500	N/A	04/19/08	04/19/11	25,500	25,500	04/19/08, 04/19/09, 04/19/10, 04/19/11

William Holt, Senior V.P., GM - Technology and Manufacturing Group. Common stock holdings: 79,137 shares

04/13/99	Options	25,500	\$30.70	04/13/00	04/13/09	25,500	0	Fully Vested
04/25/00	Options	25,500	\$61.19	04/25/01	04/25/10	25,500	0	Fully Vested
03/21/01	Options	10,684	\$25.69	03/21/02	03/21/11	10,684	0	Fully Vested
04/10/01	Options	31,200	\$24.23	04/10/02	04/10/11	31,200	0	Fully Vested
10/31/01	Options	33,600	\$24.37	04/13/07	10/31/11	16,800	0	Fully Vested
04/09/02	Options	404,000	\$29.33	04/09/03	04/09/12	16,800	0	Fully Vested
11/25/02	Options	37,742	\$20.23	11/25/07	11/25/12	37,742	0	Fully Vested
01/22/03	Options	200,000	\$16.42	01/22/08	01/22/13	200,000	200,000	01/22/09, 01/22/10, 01/22/11, 01/22/12
04/22/03	Options	154,200	\$18.63	04/22/04	04/22/13	125,000	0	Fully Vested
04/15/04	Options	75,000	\$27.00	04/15/05	04/15/14	75,000	18,750	04/15/08
04/21/05	Options	100,000	\$23.16	04/21/06	04/21/12	100,000	50,000	04/21/08, 04/21/09
04/21/06	Options	100,000	\$19.51	04/21/07	04/21/13	100,000	75,000	04/21/08, 04/21/09, 04/21/10
04/21/06	R. Stock	8,000	N/A	04/21/07	04/21/10	6,000	6,000	04/21/08, 04/21/09, 04/21/10
01/18/07	Options	65,000	\$20.70	01/18/12	01/18/17	65,000	65,000	01/18/12
01/18/07	R. Stock	9,250	N/A	01/18/12	01/18/12	9,250	9,250	01/18/12
04/19/07	Options	180,000	\$21.52	04/19/08	04/19/14	180,000	180,000	04/19/08, 04/19/09, 04/19/10, 04/19/11
04/19/07	R. Stock	25,500	N/A	04/19/08	04/19/11	25,500	25,500	04/19/08, 04/19/09, 04/19/10, 04/19/11

Paul Otellini, President, Chief Executive Officer, Director. Common stock holdings: 716,033 shares

04/14/98	Options	128,000	\$19.00	04/14/99	04/14/08	128,000	0	Fully Vested
04/13/99	Options	108,000	\$30.70	04/13/00	04/13/09	108,000	0	Fully Vested
04/25/00	Options	120,000	\$61.19	04/25/01	04/25/10	120,000	0	Fully Vested
03/21/01	Options	49,586	\$25.69	03/21/02	03/21/11	49,586	0	Fully Vested
04/10/01	Options	108,000	\$24.23	04/10/02	04/10/11	108,000	0	Fully Vested
10/31/01	Options	200,000	\$24.37	04/13/07	10/31/11	200,000	0	Fully Vested
04/09/02	Options	664,000	\$29.33	04/09/03	04/09/12	664,000	0	Fully Vested
01/22/03	Options	600,000	\$16.42	01/22/08	01/22/13	600,000	600,000	01/22/09, 01/22/10, 01/22/11, 01/22/12
04/22/03	Options	300,000	\$18.63	04/22/04	04/22/13	300,000	0	Fully Vested
04/15/04	Options	300,000	\$27.00	04/15/05	04/15/14	300,000	75,000	04/15/08
02/02/05	Options	400,000	\$22.63	02/02/09	02/02/15	400,000	400,000	02/02/09, 02/02/10, 02/02/11, 02/02/12



Appendix B

Option and Restricted Stock Vesting Schedules for Selected Intel Corp. Insiders

Grant Date	Equity Type	Options/Shares	Strike Price (Options)	First Vesting Date	Expiration Date (Options)	Remaining Options/Shares in Series	Unvested Options/Shares in Series	Vesting Dates of Remaining Restricted Shares/Options
04/21/05	Options	500,000	\$23.16	04/21/06	04/21/12	500,000	250,000	04/21/08, 04/21/09
04/21/06	Options	520,000	\$19.51	04/21/07	04/21/13	520,000	390,000	04/21/08, 04/21/09, 04/21/10
04/21/06	R. Stock	45,000	N/A	04/21/07	04/21/10	33,750	33,750	04/21/08, 04/21/09, 04/21/10
01/18/07	Options	700,000	\$20.70	01/18/12	01/18/17	700,000	700,000	01/18/12
04/19/07	Options	520,000	\$21.52	04/19/08	04/19/14	520,000	520,000	04/19/08, 04/19/09, 04/19/10, 04/19/11
04/19/07	R. Stock	45,000	N/A	04/19/08	04/19/11	45,000	45,000	04/19/08, 04/19/09, 04/19/10, 04/19/11

David Perlmutter, Senior V.P., GM - Mobility Group. Common stock holdings: 23,780 shares

04/13/99	Options	22,800	\$30.70	04/13/00	04/13/09	22,800	0	Fully Vested
04/25/00	Options	30,000	\$61.19	04/25/01	04/25/10	30,000	0	Fully Vested
03/21/01	Options	24,320	\$25.69	03/21/02	03/21/11	12,160	0	Fully Vested
04/10/01	Options	33,600	\$24.23	04/10/02	04/10/11	33,600	0	Fully Vested
10/31/01	Options	16,800	\$24.37	04/13/07	10/31/11	16,800	0	Fully Vested
04/09/02	Options	16,800	\$29.33	04/09/03	04/09/12	16,800	0	Fully Vested
11/25/02	Options	39,680	\$20.23	11/25/07	11/25/12	39,680	0	Fully Vested
04/22/03	Options	54,000	\$18.63	04/22/04	04/22/13	54,000	0	Fully Vested
01/21/04	Options	200,000	\$32.06	01/21/10	01/21/14	200,000	200,000	01/21/10, 01/21/11, 01/21/12, 01/21/13
04/15/04	Options	75,000	\$27.00	04/15/05	04/15/14	75,000	18,750	04/15/08
04/21/05	Options	100,000	\$23.16	04/21/06	04/21/12	100,000	50,000	04/21/08, 04/21/09
04/21/06	Options	140,000	\$19.51	04/21/07	04/21/13	140,000	105,000	04/21/08, 04/21/09, 04/21/10
04/21/06	R. Stock	12,000	N/A	04/21/07	04/21/10	9,000	9,000	04/21/08, 04/21/09, 04/21/10
04/21/06	R. Stock	5,000	N/A	04/21/11	04/21/11	5,000	5,000	04/21/11
01/18/07	Options	52,500	\$20.70	01/18/12	01/18/17	52,500	52,500	01/18/12
01/18/07	R. Stock	5,000	N/A	01/18/12	01/18/12	5,000	5,000	01/18/12
04/19/07	Options	235,000	\$21.52	04/19/08	04/19/14	235,000	235,000	04/19/08, 04/19/09, 04/19/10, 04/19/11
04/19/07	R. Stock	33,500	N/A	04/19/08	04/19/11	33,500	33,500	04/19/08, 04/19/09, 04/19/10, 04/19/11

Stacy Smith, V.P., Chief Financial Officer. Common stock holdings: 7,245 shares

04/13/99	Options	31,680	\$30.70	04/13/00	04/13/09	7,920	0	Fully Vested
04/25/00	Options	40,000	\$61.19	04/25/01	04/25/10	10,000	0	Fully Vested
10/10/00	Options	8,000	\$38.81	10/10/01	10/10/10	2,000	0	Fully Vested
03/21/01	Options	8,700	\$25.69	03/21/02	03/21/11	37,704	0	Fully Vested
04/10/01	Options	53,280	\$24.23	04/10/02	04/10/11	13,320	0	Fully Vested
10/14/01	Options	60,000	\$20.75	10/14/07	10/14/11	60,000	45,000	10/14/08, 10/14/09, 10/14/10



Appendix B

Option and Restricted Stock Vesting Schedules for Selected Intel Corp. Insiders

Grant Date	Equity Type	Options/Shares	Strike Price (Options)	First Vesting Date	Expiration Date (Options)	Remaining Options/Shares in Series	Unvested Options/Shares in Series	Vesting Dates of Remaining Restricted Shares/Options
10/31/01	Options	10,800	\$24.37	04/13/07	10/31/11	10,800	0	Fully Vested
11/27/01	Options	20,000	\$31.95	11/27/03	11/27/11	15,000	0	Fully Vested
04/09/02	Options	5,000	\$29.33	04/09/03	04/09/12	5,000	0	Fully Vested
04/15/04	Options	16,500	\$27.00	04/15/05	04/15/14	16,500	4,125	04/15/08
07/05/04	Options	6,000	\$23.36	07/05/05	07/05/14	6,000	1,500	07/05/08
04/21/05	Options	40,800	\$23.16	04/21/06	04/21/12	40,800	20,400	04/21/08, 04/21/09
04/21/06	Options	90,000	\$19.51	04/21/07	04/21/13	90,000	67,500	04/21/08, 04/21/09, 04/21/10
04/21/06	R. Stock	7,000	N/A	04/21/07	04/21/10	5,250	5,250	04/21/08, 04/21/09, 04/21/10
01/18/07	Options	45,000	\$20.70	01/18/12	01/18/17	45,000	45,000	01/18/12
04/19/07	Options	160,000	\$21.52	04/19/08	04/19/14	160,000	160,000	04/19/08, 04/19/09, 04/19/10, 04/19/11
04/19/07	R. Stock	23,000	N/A	04/19/08	04/19/11	23,000	23,000	04/19/08, 04/19/09, 04/19/10, 04/19/11

* Red highlight indicates options currently out-of-the-money



Appendix C

Option and Restricted Stock Vesting Schedules for Selected Regis Corp. Insiders

Grant Date	Equity Type	SARS/ Shares	Strike Price (SARS)	First Vesting Date	Expiration Date (SARS)	Remaining SARS/Shares in Series	Unvested SARS/Shares in Series	Vesting Dates of Remaining Restricted Shares/SARS
Paul Finkelstein, Chairman, President, Chief Executive Officer. Common stock holdings: 92,764 shares								
07/14/99	SARS	45,000	\$20.31	07/14/00	07/14/09	22,500	0	Fully Vested
10/31/00	SARS	300,000	\$15.13	10/31/01	10/31/10	89,200	0	Fully Vested
05/26/04	SARS	20,000	\$42.79	05/26/05	05/26/14	10,000	2,000	05/26/08, 05/26/09
05/26/04	R. Stock	7,655	N/A	05/26/05	05/26/09	3,066	3,066	05/26/08, 05/26/09
05/03/05	SARS	20,000	\$35.49	05/03/06	05/03/15	10,000	6,000	05/03/08, 05/03/09, 05/03/10
05/03/05	R. Stock	7,570	N/A	05/03/06	05/03/10	4,542	4,542	05/03/08, 05/03/09, 05/03/10
04/27/06	SARS	20,000	\$35.33	04/27/07	04/27/16	20,000	16,000	04/27/08, 04/27/09, 04/27/10, 04/27/11
04/27/06	R. Stock	9,035	N/A	04/27/07	04/27/11	7,228	7,228	04/27/08, 04/27/09, 04/27/10, 04/27/11
03/09/07	R. Stock	165,000	N/A	02/07/12	02/07/12	165,000	165,000	02/07/12
04/26/07	SARS	22,000	\$39.04	04/26/08	04/26/17	22,000	22,000	04/26/08, 04/26/09, 04/26/10, 04/26/11, 04/26/12
04/26/07	R. Stock	11,000	N/A	04/26/08	04/26/12	11,000	11,000	04/26/08, 04/26/09, 04/26/10, 04/26/11, 04/26/12
Randy Pearce, Senior Executive V.P., Chief Financial and Administrative Officer. Common stock holdings: 9,616 shares								
07/14/99	SARS	75,000	\$20.31	07/14/00	07/14/09	17,777	0	Fully Vested
05/26/04	SARS	4,000	\$42.79	05/26/05	05/26/14	4,000	1,600	05/26/08, 05/26/09
05/26/04	R. Stock	3,043	N/A	05/26/05	05/26/09	1,217	1,217	05/26/08, 05/26/09
05/03/05	SARS	4,000	\$35.49	05/03/06	05/03/15	4,000	2,400	05/03/08, 05/03/09, 05/03/10
05/03/05	R. Stock	4,035	N/A	05/03/06	05/03/10	2,421	2,421	05/03/08, 05/03/09, 05/03/10
04/27/06	SARS	4,000	\$35.33	04/27/07	04/27/16	4,000	3,200	04/27/08, 04/27/09, 04/27/10, 04/27/11
04/27/06	R. Stock	4,015	N/A	04/27/07	04/27/11	3,212	3,212	04/27/08, 04/27/09, 04/27/10, 04/27/11
04/26/07	SARS	6,200	\$39.04	04/26/08	04/26/17	6,200	6,200	04/26/08, 04/26/09, 04/26/10, 04/26/11, 04/26/12
04/26/07	R. Stock	6,200	N/A	04/26/08	04/26/12	6,200	6,200	04/26/08, 04/26/09, 04/26/10, 04/26/11, 04/26/12
05/09/07	R. Stock	50,000	N/A	05/09/12	05/09/12	50,000	50,000	05/09/12
Kris Bergly, Executive V.P., Chief Operating Officer. Common stock holdings: 4,127 shares								
02/15/00	SARS	35,000	\$16.50	02/15/01	02/15/10	30,000	0	Fully Vested
10/31/00	SARS	75,000	\$15.13	10/31/01	10/31/10	31,481	0	Fully Vested
01/10/05	SARS	2,500	\$42.79	01/10/06	01/10/15	2,500	1,500	01/10/08, 01/10/09, 01/10/10
01/10/05	R. Stock	2,000	N/A	01/01/06	01/01/10	1,200	1,200	01/10/08, 01/10/09, 01/10/10
05/03/05	SARS	2,500	\$35.49	05/03/06	05/03/15	2,500	1,500	05/03/08, 05/03/09, 05/03/10
05/03/05	R. Stock	2,500	N/A	05/03/06	05/03/10	1,500	1,500	05/03/08, 05/03/09, 05/03/10
04/27/06	SARS	2,500	\$35.33	04/27/07	04/27/16	2,500	2,000	04/27/08, 04/27/09, 04/27/10, 04/27/11
04/27/06	R. Stock	2,500	N/A	04/27/07	04/27/11	2,000	2,000	04/27/08, 04/27/09, 04/27/10, 04/27/11



Appendix C

Option and Restricted Stock Vesting Schedules for Selected Regis Corp. Insiders

Grant Date	Equity Type	SARS/ Shares	Strike Price (SARS)	First Vesting Date	Expiration Date (SARS)	Remaining SARS/Shares in Series	Unvested SARS/Shares in Series	Vesting Dates of Remaining Restricted Shares/SARS
08/22/06	SARS	750	\$36.20	08/22/07	08/22/16	750	600	08/22/08, 08/22/09, 08/22/10, 08/22/11
08/22/06	R. Stock	750	N/A	08/22/07	08/22/11	600	600	08/22/08, 08/22/09, 08/22/10, 08/22/11
04/26/07	SARS	5,000	\$39.04	04/26/08	04/26/17	5,000	5,000	04/26/08, 04/26/09, 04/26/10, 04/26/11, 04/26/12
04/26/07	R. Stock	5,000	N/A	04/26/08	04/26/12	5,000	5,000	04/26/08, 04/26/09, 04/26/10, 04/26/11, 04/26/12

Gordon Nelson, Executive V.P.-Fashion, Education and Marketing. Common stock holdings: 23,250 shares

02/15/00	SARS	50,000	\$16.50	02/15/01	02/15/10	10,500	0	Fully Vested
10/31/00	SARS	9,000	\$15.13	10/31/01	10/31/10	6,000	0	Fully Vested
05/26/04	SARS	2,500	\$42.79	05/26/05	05/26/14	2,500	1,000	05/26/08, 05/26/09
05/26/04	R. Stock	2,028	N/A	05/26/05	05/26/09	811	811	05/26/08, 05/26/09
05/03/05	SARS	2,500	\$35.49	05/03/06	05/03/15	2,500	1,500	05/03/08, 05/03/09, 05/03/10
05/03/05	R. Stock	2,525	N/A	05/03/06	05/03/10	1,515	1,515	05/03/08, 05/03/09, 05/03/10
04/27/06	SARS	2,500	\$35.33	04/27/07	04/27/16	2,500	2,000	04/27/08, 04/27/09, 04/27/10, 04/27/11
04/27/06	R. Stock	2,510	N/A	04/27/07	04/27/11	2,008	2,008	04/27/08, 04/27/09, 04/27/10, 04/27/11
08/22/06	SARS	750	\$36.20	08/22/07	08/22/16	750	600	08/22/08, 08/22/09, 08/22/10, 08/22/11
08/22/06	R. Stock	750	N/A	08/22/07	08/22/11	600	600	08/22/08, 08/22/09, 08/22/10, 08/22/11
04/26/07	SARS	4,200	\$39.04	04/26/08	04/26/17	4,200	4,200	04/26/08, 04/26/09, 04/26/10, 04/26/11, 04/26/12
04/26/07	R. Stock	4,200	N/A	04/26/08	04/26/12	4,200	4,200	04/26/08, 04/26/09, 04/26/10, 04/26/11, 04/26/12

Myron Kunin, Founder, Vice Chairman. Common stock holdings: 990,989 shares

02/15/00	SARS	30,000	\$16.50	02/15/01	02/15/10	20,000	0	Fully Vested
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* Red highlight indicates SARS currently under water.