

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The Reverse Stock Split constituted a reorganization as described in Section 368(a)(1)(E) of the Code. Accordingly, Tegal stockholder will not recognize income, gain or loss in connection with the Reverse Stock Split.

18 Can any resulting loss be recognized? ▶ A stockholder who receives only cash in the Reverse Stock Split will be treated as having such shares redeemed. Depending on a stockholder's situation, if the transaction is considered as sale or exchange, the stockholder will recognize gain or loss equal to the difference between cash received and the stockholder's tax basis in the redeemed shares.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The Reverse Stock Split became effective on June 15, 2011. The company will be reporting the transaction in its fiscal year ending March 31, 2012. Shareholders should report the redemption as a June 15, 2011 transaction.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ Christine T. Hergenrother Date ▶ 2/16/2012

Print your name ▶ Christine T. Hergenrother Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>William A. Shulte</u>	<u>W.A. Shulte</u>			<u>P00021551</u>
	Firm's name ▶ <u>Burr Pilger Mayer, Inc.</u>	Firm's EIN ▶ <u>26-3839190</u>		Phone no. <u>415-421-5757</u>	
	Firm's address ▶ <u>600 California Street, Suite 1300, San Francisco, CA 94108</u>				