

EXHIBIT C

(DX 436)

**To Motion of Entity Defendants J.P. Morgan Partners (BHCA) LLP, Chase Equity Associates, LLC, and Hambrecht & Quist California,
et al for Judgment as a Matter Of Law Pursuant to FRCP 50(A)**



mrochkind@att.net on 11/21/2000 01:32:07 PM

To: esc@venrock.com, lyon_randolph@jpmorgan.com, JVohra@isourcing.com, venkata@cadant.com
cc: dmosse@vlg.com (bcc: Randolph Lyon)
Subject: another thought

Board Membership

Why not go with 6 persons - including a CCP person ? Six seems more manageable than 7, and can be smoothly accomplished. I doubt that the even number will present a problem even though I was concerned about this in the Apex days.

mark

>My guess is that they'll be pretty firm on their share price of \$5.09 so the
>size of the option pool won't really matter that much at the end of the day.

>-----Original Message-----

>From: mark m rochkind [mailto:mrochkind@att.net]

>Sent: Monday, November 20, 2000 9:50 PM

>To: Eric S. Copeland

>Subject: RE: few thoughts

>

>We budgeted 3M (post-split) options to cover 2001 hiring (160 persons incl
>VP Sales) and performance grants, and 2000 potential overrun. We've since
>gotten back about 200K from terminations. Authorization of 5M would give
>us 2M for currently unbudgeted purposes. The dilution with 7.5M seems
>excessive.

>mark

>

>-----

>

>>Mark,

>>

>>Regarding the 5,000,000 vs. 7,500,000 shares: CCP is assuming we'll need to
>>hire a CEO.

>>

>>See my point?

>>

>>Eric

>>

>>-----Original Message-----

>>From: mark m rochkind [mailto:mrochkind@att.net]

>>Sent: Monday, November 20, 2000 12:41 PM

>>To: Eric S. Copeland; Mosse, David I.

>>Subject: RE: few thoughts

>>

>>

>>Sounds good.

>>Randy called me this morning and is supportive.

>>He noticed all the same things but believes we should not fight.

>>I told him I thought a few concessions would be possible.

>>The automatic conversion seems odd.

>>The seniority seems OK as a concession if you (series A0 agree).

>>Cumulative dividends only if Board declares same.

>>5,000,000 shares seem adequate.

>>Regards,

DX
0436

JPM-RL 001213

>>mark

>>

>>-----

>>

>>At 11:35 -0800 11/19/00, Eric S. Copeland wrote:

>>>I talked to Venkata yesterday about the timing issue. Subject to the OK of
>>>the rest of the board, which I haven't yet obtained, Venkata has delegated
>>>to me the task of calling CCP on Monday and informing them that we would
>>>like to work with them within the broad framework outlined in their
>>>termsheet. I am to indicate to them as well that there are several minor
>>>changes that we would like to propose to the termsheet and that we'll send
>>>them a marked up copy late Monday pm. Finally, I will inform CCP that
>>>Venkata is in Europe, returning Tuesday, and will be in contact directly
>>>upon his return.

>>>

>>>A couple other quick points:

>>>

>>>1) TWP appears to be uninterested at \$250 MM pre. I am trying to connect
>>with

>>>them directly to get a better feel for their position.

>>>

>>>2) Venkata thinks he can fill out the round at \$250 even without TWP.

>>>

>>>3) I've called Invesco to inform them that we now have a termsheet so they
>>>need to move.

>>>

>>>

>>>Eric

>>>

>>>-----Original Message-----

>>>From: Mosse, David I. [mailto:DMosse@vlq.com]

>>>Sent: Saturday, November 18, 2000 10:15 PM

>>>To: 'mark m rochkind'; esc@venrock.com

>>>Subject: RE: few thoughts

>>>

>>>

>>>(1) O.K.

>>>

>>>(2) This may be one way to go. It would be awkward, however, for such a
>>>counteroffer to come from the Company without it being aired out by the
>>>current Board members. Eric and I have briefly discussed the Board
>>>structure and there may be other desirable alternatives. I suggest the
>>>three of us discuss this off line and leave the term sheet as is for now.

>>>

>>>(3) We can't impose a double trigger on Tom and Dan without queering an
>>>eventual pooling transaction. The ambiguity of the language in their
>>>employment agreements should give us more comfort and, if an acquiror is
>>>still uncomfortable with it, it can negotiate retention deals with them at
>>>the time of the transaction without queering pooling. As for the rest of
>>>management, they are already subject to a double trigger as a result of
>the

>>>2000 Plan.

>>>

>>>(4) Can either of you recall whether the confidentiality agreements that
>>>employees have signed, or Tom and Dan's employment agreements, contain a
>>>non-compete? I don't think so. In any event, I agree that one year is
>>more

>>>reasonable and as for a non-compete applicable after a termination without
>>>cause, it is fair provided that the terminated employees are also entitled
>>>to severance benefits. I believe that, pursuant to their employment
>>>agreements, Tom and Dan are generally entitled to one year's worth of
>>>severance and Venkata to three years' worth. We should finalize the list
>>of

>>>management/key employees with CCP asap because yet again we will be forced
>>>to face such employees with bad news.

>>>

>>>Have we decided on timing for getting back to CCP with a revised draft?

>>>
>>>David
>>>
>>>
>>>-----Original Message-----
>>>From: mark m rochkind [mailto:mrochkind@att.net]
>>>Sent: Friday, November 17, 2000 9:24 PM
>>>To: dmosse@vlg.com; esc@venrock.com
>>>Subject: few thoughts
>>>
>>>
>>>I just scanned the Term Sheet. A few immediate thoughts come to mind.
>>>
>>>(1) 5,000,000 unissued shares will be more than enough. 7.5M represents
>>>too
>>>much pre-money dilution. We have a budget for 2001 which already includes
>>>hire grants and 15% of outstanding staff option grants for use as 2001
>>>performance grants. All of this comes to <4M shares. An additional
>>>million
>>>should suffice. I'll supply details later.
>>>
>>>(2) Rather than expand the Board to 7 members - more unwieldy, why not
>>>replace one current member with a CCP person. Then we maintain 5 (an odd
>>>number) and keep life simple.
>>>
>>>(3) Make a double trigger for all employees a requirement of the Term
>>>Sheet.
>>>Cadant staff is considered a principal asset.
>>>
>>>(4) Non-compete and non-solicitation of 12 months seems more reasonable.
>>>Is
>>>a non-compete upon termination without cause fair and reasonable. I
>>>understand why it's attractive; a non-compete helps to protect
>>>confidentiality. Wouldn't it be considered egregious. Seems a bit
>>>unreasonable to me.
>>>
>>>mark