

RICHARDSON ELECTRONICS LTD/DE

Form 424B3

April 23, 2007

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File Number 333-130219

**\$10,000,000**

## **8% Convertible Senior Subordinated Notes due 2011**

This prospectus covers resales by holders of our 8% Convertible Senior Subordinated Notes due 2011 and shares of common stock into which the notes are convertible. We will not receive any proceeds from the resale of the notes or the shares of common stock hereunder. The notes are convertible, at holders' option, prior to the maturity date into shares of our common stock.

The notes may be converted into shares of our common stock at an initial conversion price of \$10.31 per share of common stock. The conversion price is subject to adjustment if certain events occur, as described in Description of the Notes. Upon conversion of a note, the holder will receive only shares of our common stock and a cash payment to account for any fractional share. Holders will not receive any cash payment for interest accrued and unpaid to the conversion date except under the limited circumstances. In certain situations, if the holder elects to convert the notes following certain changes of control in which 10% or more of the consideration for our common stock is not securities traded on a U.S. national securities exchange, we will increase the number of shares of common stock we issue for each note converted. At any time prior to maturity, we may elect to automatically convert the notes if the last reported sale price of our common stock has been at least 150% of the conversion price for at least 20 trading days during any 30 trading day period, subject to certain conditions. If we elect to automatically convert your notes prior to December 20, 2008, we will pay additional interest in cash or, at our option, in common stock, equal to three full years of interest on the converted notes, less any interest actually provided for or paid.

The notes bear interest at 8% per year. Interest on the notes will accrue from November 21, 2005 or from the most recent date to which interest has been paid or duly provided for and will be payable semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2006. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

On or after December 20, 2008, we may redeem the notes, in whole or in part, at any time at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued and unpaid interest, if any, to, but excluding the date of redemption. We may be required to repurchase the notes upon a change of control, upon our common stock not being authorized for listing on The NASDAQ Global Market, The NASDAQ Capital Market, The New York Stock Exchange or the American Stock Exchange or upon our incurrence of certain types of senior indebtedness or indebtedness that ranks equally and ratably with the notes.

The notes mature on June 15, 2011 unless earlier converted, redeemed, or repurchased and will be issued in denominations of \$1,000 and integral multiples thereof. The notes were initially issued in the aggregate principal amount of \$25,000,000. The notes are subordinated to our senior indebtedness, including amounts borrowed under our amended and restated credit agreement and future indebtedness that is not expressly subordinate to the notes. In addition, the notes are structurally subordinate to any indebtedness of our subsidiaries, including trade payables.

Prior to this offering, the notes were eligible for transfer on The Portal<sup>SM</sup> Market of The NASDAQ Stock Market, Inc. The notes sold by means of this prospectus are not expected to remain eligible for transfer on The Portal<sup>SM</sup> Market. We do not intend to list the notes for transfer on any national securities exchange. Our common stock is listed on The NASDAQ Global Market under the symbol RELL . On April 16, 2007, the last reported sale price of our common stock was \$8.92 per share.

**Investing in the notes and the underlying shares of common stock involves risks. Before purchasing notes, see the information under Risk Factors beginning on page 13 of this prospectus.**

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**The date of this Prospectus is April 23, 2007.**

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You should rely only on the information contained in this prospectus. Neither we nor the holders have authorized anyone else to provide you with additional or different information. This prospectus is not an offer to sell or a solicitation of an offer to buy securities in any circumstances in which the offer or solicitation is unlawful. You should not interpret the delivery of this prospectus, or any sale of securities, as an indication that there has been no change in our affairs since the date of this prospectus. You should also be aware that information in this prospectus may change after this date.

Additionally, we may suspend the holder's use of the prospectus for a reasonable period not to exceed 30 consecutive days, or an aggregate of 60 days in any 365 day period, if we, in our reasonable judgment, believe that the registration statement contains an untrue statement of a material fact or omits to state a material fact required to be stated herein or necessary to make the statements herein not misleading. Each holder, by its acceptance of a new note, agrees to hold any communication by us regarding suspension of the holder's use of the prospectus in confidence. This offering is subject to withdrawal or cancellation without notice.

When we use the terms we, us, our, or the Company in this prospectus, we mean Richardson Electronics, Ltd. and its subsidiaries, on a consolidated basis, unless we state or the context implies otherwise. When we use the term holders we mean the holders of our 8% Convertible Senior Subordinated Notes due June 15, 2011 offered for sale from time to time pursuant to this prospectus.

References in this prospectus to our common stock mean our common stock, \$.05 par value per share; references to our Class B common stock mean our Class B common stock, \$.05 par value per share; references to the notes mean our 8% Convertible Senior Subordinated Notes due June 15, 2011; references to the 7/4% debentures mean our 7/4% Convertible Subordinated Debentures due December 15, 2006; references to the 8/4% debentures mean our 8/4% Convertible Senior Subordinated Debentures due June 15, 2006; references to the 7/4% notes mean our

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7<sup>3</sup>/<sub>4</sub>% Convertible Senior Subordinated Notes due December 15, 2011, and references to the credit agreement mean our amended and restated revolving credit agreement due October 2009 and dated October 29, 2004.

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**PROSPECTUS SUMMARY**

*This summary highlights selected information from this prospectus and may not contain all of the information that is important to you. You should read carefully the entire prospectus, including the consolidated financial statements and related notes and other financial data, before making an investment decision.*

**Our Company**

We are a global provider of engineered solutions and a global distributor of electronic components to the radio frequency (RF), wireless and power conversion, electron device, security, and display systems markets. We are committed to a strategy of providing specialized technical expertise and value-added products, which we refer to as engineered solutions, in response to our customers' needs. These engineered solutions consist of:

products which we manufacture or modify;

products which are manufactured to our specifications by independent manufacturers under our own private labels; and

value we add through design-in support, systems integration, prototype design and manufacturing, testing, and logistics for our customers' end products. We define design-in support as modification of components or identification of lower-cost product alternatives or complementary products.

Our products include RF and microwave components, power semiconductors, electron tubes, microwave generators, data display monitors, and electronic security products and systems. These products are used to control, switch or amplify electrical power or signals, or as display, recording or alarm devices in a variety of industrial, communication, and security applications.

Our broad array of technical services and products supports both our customers and vendors.

**Our Strategic Business Units**

We serve our customers through four strategic business units, each of which is focused on different end markets with distinct product and application needs. Our four strategic business units are:

RF, Wireless & Power Division (formerly RF & Wireless Communications Group);

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Electron Device Group (formerly Industrial Power Group);

Security Systems Division/Burtek Systems; and

Display Systems Group.

Each strategic business unit has dedicated marketing, sales, product management, and purchasing functions to better serve its targeted markets. The strategic business units operate globally, serving North America, Europe, Asia/Pacific, and Latin America.

During the second quarter of fiscal 2006, we implemented a reorganization plan encompassing our RF & Wireless Communications Group and Industrial Power Group business units. Effective for the second quarter of fiscal 2006, the Industrial Power Group has been designated as the Electron Device Group and the RF & Wireless Communications Group has been designated as RF, Wireless & Power Division. The reorganization was implemented to increase efficiencies by integrating the Industrial Power Group's power conversion sales and product management into the RF & Wireless Communication Group's larger sales resources. In addition, we

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believe that the Electron Device Group will benefit from an increased focus on the high-margin tube business with a simplified global sales and product management structure to work more effectively with customers and vendors.

During the first quarter of fiscal 2007, we changed the name of our Security Systems Division (SSD) to Burtek Systems (SSD/Burtek) to take advantage of Burtek's positive brand recognition within the sound and security industry.

### *RF, Wireless & Power Division, formerly RF & Wireless Communications Group*

Our RF, Wireless & Power Division serves the global RF and wireless communications market, including infrastructure and wireless networks, as well as the fiber optics and industrial power conversion market. Our team of RF and wireless engineers assists customers in designing circuits, selecting cost effective components, planning reliable and timely supply, prototype testing, and assembly. The group offers our customers and vendors complete engineering and technical support from the design-in of RF, wireless and power components to the development of engineered solutions for their system requirements.

We expect continued growth in wireless applications as the demand for many types of wireless communication increases worldwide. We believe wireless networking and infrastructure products for a number of niche applications will require engineered solutions using the latest RF technology and electronic components, including:

*Wireless Networks* Wireless technologies used for short range interconnection, both within the home or office or last mile solutions from a neighborhood to the home.

*Wireless Infrastructure* Equipment required to support the transmission of RF signals.

*Power Conversion* High power applications such as power suppliers, welding, motor controls and converting AC/DC and DC/AC.

In addition to voice communication, we believe the rising demand for high-speed data transmission will result in major investments in both system upgrades and new systems to handle broader bandwidth.

### *Electron Device Group, formerly Industrial Power Group*

Our Electron Device Group provides engineered solutions and distributes electronic components to customers in diverse markets including the steel, automotive, textile, plastics, semiconductor manufacturing, and broadcast industries. Our team of engineers designs solutions for applications such as industrial heating, laser technology, semiconductor manufacturing equipment, radar, and welding. We build on our expertise in high power, high frequency vacuum devices to provide engineered solutions to fit our customers' specifications using what we believe are the most competitive components from industry-leading vendors.

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This group serves the industrial market's need for both vacuum tube and semiconductor manufacturing equipment technologies. We provide replacement products for systems using electron tubes as well as design and assembly services for new systems employing semiconductor manufacturing equipment. Our customers' demand for higher power and shorter processing times increases the need for tube-based systems.

### *Security Systems Division/Burtek Systems*

Our Security Systems Division/Burtek Systems is a global provider of closed circuit television, fire, burglary, access control, sound, and communication products and accessories for the residential, commercial, and government markets. We specialize in closed circuit television design-in support, offering extensive expertise with applications requiring digital technology. Our products are primarily used for security and access control purposes but are also utilized in industrial applications, mobile video, and traffic management.



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The electronic security industry is rapidly transitioning from analog to digital imaging technology which is driving the convergence between security and IT. We are positioned to take advantage of this transition through our array of innovative products and solutions marketed under our own private label brands *National Electronics*, *Capture*<sup>®</sup>, *AudioTrak*<sup>®</sup>, and *Elite National Electronics*<sup>®</sup>. We also expect to gain additional market share by marketing ourselves as a value-added service provider to both our vendor and dealer partners. We continue to invest in people and tools that enable us to offer superior technical support in the most cost effective manner, particularly in the area of network convergence.

On April 6, 2007, we entered into a definitive agreement with Honeywell International Inc. to sell Security Systems Division/Burtek Systems for \$80 million in cash, subject to post-closing adjustments. For more information regarding this transaction, see Prospectus Summary Recent Developments.

### *Display Systems Group*

Our Display Systems Group is a global provider of integrated display products and systems to the public information, financial, point-of-sale, and medical imaging markets. The group works with leading hardware vendors to offer the highest quality liquid crystal display, plasma, cathode ray tube, and customized display monitors. Our engineers design custom display solutions that include touch screens, protective panels, custom enclosures, specialized finishes, application specific software, and privately branded products.

The medical imaging market is transitioning from film-based technology to digital technology. Our medical imaging hardware partnership program allows us to deliver integrated hardware and software solutions for this growing market by combining our hardware expertise in medical imaging engineered solutions with our software partners' expertise in picture archiving and communications systems. Through such collaborative arrangements, we are able to provide integrated imaging workstation systems to the end user.

Our legacy business of supplying replacement cathode ray tubes continues to be an important market. We believe we are successful in supplying replacement cathode ray tubes because of our extensive cross-reference capability. This database, coupled with custom mounting hardware installed by us, enables us to provide replacement tubes for more than 200,000 models.

We have long-standing relationships with key manufacturers including 3M, Clinton Electronics, HP, IBM, Intel, LG, NEC Displays, Philips-FIMI, Planar Systems, Samsung, and Siemens Displays. We believe these relationships and our private label brands allow us to maintain a well-balanced and technologically advanced line of products.

## **Business Strategies**

We are pursuing a number of strategies designed to enhance our business and, in particular, to increase sales of engineered solutions. Our strategies are to:

*Capitalize on Engineering and Manufacturing Expertise.* We believe that our success is largely attributable to our core engineering and manufacturing competency and skill in identifying cost-competitive solutions for our customers, and we believe that these factors will be

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significant to our future success. Historically, our primary business was the distribution and manufacture of electron tubes and we continue to be a major supplier of these products. This business enabled us to develop manufacturing and design engineering capabilities. Today, we use this expertise to identify engineered solutions for customers' applications not only in electron tube technology but also in new and growing end markets and product applications. We work closely with our customers' engineering departments that allow us to identify engineered solutions for a broad range of applications. We believe our customers use our engineering and manufacturing expertise as well as our in-depth knowledge of the components best suited to deliver a solution that meets their performance needs cost-effectively.

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*Target Selected Niche Markets.* We focus on selected niche markets that demand a high level of specialized technical service, where price is not the primary competitive factor. These niche markets include wireless infrastructure, high power/high frequency power conversion, custom display, and digital imaging. In most cases, we do not compete against pure commodity distributors. We often function as an extension of our customers' and vendors' engineering teams. Frequently, our customers use our design and engineering expertise to provide a product solution that is not readily available from a traditional distributor. By utilizing our expertise, our customers and vendors can focus their engineering resources on more critical core design and development issues.

*Focus on Growth Markets.* We are focused on markets we believe have high growth potential and can benefit from our engineering and manufacturing expertise and from our strong vendor relationships. These markets are characterized by substantial end-market growth and rapid technological change. For example, the continuing demand for wireless communications is driving wireless application growth. Power conversion demand continues to grow due to increasing system complexity and the need for intelligent, efficient power management. We also see growth opportunities as security systems transition from analog to digital video recording and medical display systems transition from film to digital imaging.

*Leverage Our Existing Customer Base.* An important part of our growth is derived from offering new products to our existing customer base. We support the migration of our customers from electron tubes to newer solid-state technologies. Sales of products other than electron tubes represented approximately 84% of our sales in fiscal 2006 compared to 76% in fiscal 2000. In addition, our salespeople increased sales by selling products from all strategic business units to customers who currently may only purchase from one strategic business unit and by selling engineered solutions to customers who currently may only purchase standard components.

## **Growth and Profitability Strategies**

Although we have reported net losses of approximately \$12.9 million in fiscal 2002, \$26.7 million in fiscal 2003, \$16.0 million in fiscal 2005, and \$2.6 million in fiscal 2006, our long-range growth plan is centered around three distinct strategies by which we are seeking to maximize our overall profitability:

*Focus on Internal Growth.* We believe that, in most circumstances, internal growth provides the best means of expanding our business, both on a geographic and product line basis. We believe there is increased outsourcing of engineering as companies focus on their own core competencies, which we believe contributed to the increased demand for our engineered solutions. As technologies change, we plan to continue to capitalize on our customers' need for design engineering. In fiscal 2006, we made sales to approximately 34,000 customers. We have developed internal systems to capture forecasted product demand by potential design opportunity. This allows us to anticipate our customers' future requirements and identify new product opportunities. In addition, we share these future requirements with our manufacturing suppliers to help them predict near and long-term demand, technology trends, and product life cycles. Expansion of our product offerings is an ongoing program. In particular, the following areas have generated significant sales increases in recent years: RF amplifiers; interconnect and passive devices; silicon controlled rectifiers; custom and medical monitors; and digital closed circuit television security systems.

*Reduce Operating Costs Through Continuous Operational Improvements.* We constantly strive to reduce costs in our business through initiatives designed to improve our business processes. We continue to embark on programs to improve operating efficiencies and asset utilization, with an emphasis on inventory control. Our incentive programs were revised in fiscal 2004 to heighten our managers' commitment to these objectives. Since fiscal 2004, our strategic business units' goals are based on return on assets. In an effort to reduce our global operating costs related to logistics, selling, general, and administrative expenses and to better align our operating and tax structure on a global basis, we have now begun to implement a global restructuring plan. This plan is



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intended to reduce corporate and administrative expense, decrease the number of warehouses, and streamline the entire organization. During fiscal 2007, we will be implementing a more tax-effective supply chain structure for Europe and Asia/Pacific, restructuring our Latin American operations, and reducing the total workforce which includes eliminating and restructuring layers of management. Additional programs are ongoing, including a significant investment in enterprise resource planning software during fiscal 2007.

*Grow Through Acquisitions.* We have an established record of acquiring and integrating businesses. Since 1980, we have acquired 37 companies or significant product lines and continue to evaluate acquisition opportunities on an ongoing basis. We seek acquisitions that provide product line growth opportunities by permitting us to leverage our existing customer base, expand the geographic coverage for our existing product offerings, or add incremental engineering resources/expertise. Our most significant acquisitions over the past five years include:

Sangus Holdings AB (RF and microwave applications now part of our RF, Wireless & Power Division) in fiscal 2002;

Evergreen Trading Company (power conversion now part of our Electron Device Group) in fiscal 2005;

A.C.T. Kern GmbH & Co. KG (Kern) (display technology now part of Display Systems Group) in fiscal 2006; and

Image Systems Corporation (display technology supplier now part of Display Systems Group) in fiscal 2006.

## **Recent Developments**

On April 6, 2007, we and certain of our subsidiaries (Sellers) entered into a definitive agreement (the Agreement) with Honeywell International Inc. (Honeywell) pursuant to which Honeywell agreed to purchase SSD/Burtek. The transaction is structured as a sale of all of the stock of Burtek Systems Corp., a Nova Scotia unlimited liability company (Burtek Systems) and all of the other assets primarily used or held for use in SSD/Burtek (the Sale Assets). Subject to certain limited exceptions, Honeywell is not assuming any pre-closing obligations or liabilities of SSD/Burtek.

The total consideration to be paid by Honeywell pursuant to the Agreement is \$80,000,000, net of cash and debt other than certain assumed liabilities, and subject to post-closing adjustments to the extent that SSD/Burtek's net working capital is less than \$31,000,000.

The Agreement provides for typical representations and warranties among the parties that must be accurate on both the execution date and the closing date.

Prior to the closing, Sellers and Burtek Systems are required to comply with certain pre-closing covenants, and each is required to: (i) give all notices to third parties and governmental entities and use best efforts to obtain all permits and consents as may be required or appropriate in connection with the contemplated transactions; (ii) make any filings necessary, proper or advisable under any applicable antitrust or competition laws; (iii) conduct the operations of SSD/Burtek in the ordinary course of business and preserve its assets, goodwill and relationships; (iv) afford Honeywell full access to SSD/Burtek and its employees during normal working hours; (v) notify Honeywell of the occurrence of an event that Sellers expect to prevent fulfillment of any closing condition; (vi) terminate discussions with all third parties regarding the potential sale of SSD/Burtek and refrain from soliciting or facilitating any competing proposal to acquire SSD/Burtek; (vii) terminate certain related party

agreements, and (viii) take certain other actions relating to vesting of employee benefits, employee transition, segregation of assets and other items agreed to by them in the Agreement.

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The obligation of each of Honeywell, Sellers and Burtek Systems to consummate the transactions is subject to numerous closing conditions. These include that the representations and warranties are true and correct in all material respects, that the covenants have been performed, that no litigation threatens the transaction, that the waiting periods under applicable antitrust laws have expired and the transaction has received approval under the Competition Act of Canada. In addition, Honeywell's obligation to consummate the transactions is subject to there being no adverse effect, circumstance or change, either individually or in the aggregate, that has or could reasonably be expected to have a material adverse effect on SSD/Burtek, assets, conditions, or results of operation of SSD/Burtek and to the receipt of certain specified consents from third parties. The parties are also required to deliver customary closing documents, including a transition services agreement, a bill of sale, and an assignment of trademarks.

Sellers and Honeywell are subject to certain post-closing covenants. For a period of two years after the closing, Sellers have also agreed to refrain from soliciting for employment any person who is or was within the three months prior to any solicitation an employee of the Business. For a period of two years after the closing, Honeywell has agreed to refrain from soliciting for employment any person who is or was within the three months prior to any solicitation an employee of the Sellers with whom Honeywell had contact in connection with the contemplated transactions.

Each party agrees to indemnify the other party for damages arising out of or relating to certain claims, including the breach of representations and warranties or covenants of the indemnifying party, or relating to certain excluded assets and liabilities. Sellers' obligation to indemnify Honeywell for breaches of representations and warranties shall not arise until all losses claimed by all of Honeywell's indemnified parties exceeds \$500,000 (the Basket), and then will only apply to the amount in excess of the Basket up to the maximum liability amount of \$17,000,000 (the Maximum). Losses for certain claims of Honeywell's indemnified parties are not subject to the Basket or the Maximum, including certain losses incurred by Honeywell relating to (i) Sellers breach of the pre-closing or post-closing covenants (ii) excluded assets or liabilities, and (iii) fraud or intentional misrepresentation.

The Agreement is subject to termination upon the mutual consent of the parties or by either party if (i) a court issues a nonappealable order precluding the consummation of the transaction, (ii) the transaction has not been consummated by October 31, 2007, or (iii) the uncured breach by the other party of a representation, warranty or covenant would result in any of the conditions to closing not being satisfied.

As of March 3, 2007, the net assets of SSD/Burtek included in the sale were approximately \$33 million. Based on our tax structure and our ability to use existing net operating loss carryforwards to offset any gain in the U.S., we do not expect to pay income taxes as a result of the sale. After transaction expenses, net proceeds from the sale are estimated to be \$76 million. Upon closing, we expect to record a gain on sale of approximately \$43 million. We expect to use the net proceeds from the sale to pay down debt outstanding under our credit agreement.

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**The Offering**

*The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of the Notes section of this prospectus contains a more detailed description of the terms and conditions of the notes.*

Issuer	Richardson Electronics, Ltd.
Securities Offered	Up to \$10,000,000 aggregate principal amount of 8% Convertible Senior Subordinated Notes due 2011.
Interest	We will pay interest at 8% per year. Interest on the notes will accrue from November 21, 2005 or from the most recent date to which interest has been paid or duly provided for and will be payable semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2006. Interest will be computed on the basis of a 360 day year comprised of twelve 30 day months.
Maturity Date	June 15, 2011
Conversion at Holders Option	The notes are convertible at the holders option at any time prior to maturity into shares of our common stock, initially at a conversion price of \$10.31 per share, subject to adjustment upon certain events.
Auto-Conversion	At any time prior to maturity, we may elect to automatically convert some or all of the notes into shares of our common stock if the last reported sale price of our common stock exceeds 150% of the conversion price for 20 trading days during any 30 trading day period ending within five days of the notice of automatic conversion and either (x) a registration statement registering the resale of the common stock issued upon conversion is effective prior to the date we notify you of the automatic conversion, or (y) the common stock issuable upon conversion may be sold pursuant to Rule 144 under the Securities Act.
Additional Payment upon Conversion during the first Three Years	<p>If we effect an automatic conversion of the notes prior to December 20, 2008, we will make an additional payment equal to three full years of interest, less any interest actually paid or provided for prior to the conversion date.</p> <p>We may pay this additional payment in cash or, at our option, in shares of common stock. If we elect to pay the additional payment in common stock, the common stock will be valued at 97.5% of the average of the closing prices of the common stock for the 20 consecutive trading days ending on the third business day prior to the conversion date.</p>
Additional Shares upon Conversion in Connection with Certain Events	If a holder elects to convert the notes prior to December 20, 2008 in connection with certain business combinations in which 10% or more



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of the consideration for our common stock consists of securities of a company that is not traded or scheduled to be traded immediately following such transaction on a U.S. national securities exchange, we will increase the number of shares of common stock we issue for each note surrendered for conversion by a number of additional shares as described in the indenture.

**Adjustments to the Conversion Price**

The conversion price of the notes will be subject to adjustment under certain circumstances, including if we pay dividends on, or make cash distributions in respect of, our common stock that exceed, in the aggregate, \$0.16 per common share for four consecutive fiscal quarters.

**Optional Redemption**

At any time on or after December 20, 2008, we may redeem some or all of the notes at 100% of the principal amount plus accrued and unpaid interest to, but excluding, the redemption date. If we elect to redeem the notes, we will provide notice of redemption to you not less than 20 days and not more than 90 days before the redemption date.

**Repurchase at Holder's Option upon Certain Events**

Upon a change of control or if our common stock shall not be authorized for quotation or listing on The NASDAQ Global Market, The NASDAQ Capital Market, The New York Stock Exchange or the American Stock Exchange, the holder may require us to repurchase the notes in cash at a price equal to 100% of the principal amount plus accrued and unpaid interest, if any, to the applicable repurchase date.

Prior to November 21, 2008, we may not incur senior indebtedness or indebtedness that ranks on parity in right of payment with the notes, other than pursuant to our credit agreement. If after November 21, 2008, we incur senior indebtedness or indebtedness that ranks on parity in right of payment with the notes, other than pursuant to our credit agreement, holders of the notes may require us to repurchase an aggregate principal amount of notes equal to our net proceeds from such issuance of indebtedness at a price equal to 100% of the principal amount plus accrued and unpaid interest, if any, to the applicable repurchase date. Such senior indebtedness or indebtedness that ranks on parity in right of payment with the notes shall not mature prior to June 15, 2011.

If we repurchase or redeem any portion of the principal amount of our 7<sup>3</sup>/<sub>4</sub>% notes, we must make an offer to repurchase, for the same type of consideration offered to the holders of our 7<sup>3</sup>/<sub>4</sub>% notes, the same portion of the principal amount of the notes. The repurchase price shall be equal to 100% of the principal amount of the notes plus accrued and unpaid interest, if any, to the applicable repurchase date; provided, that if the price at which we repurchased or redeemed our 7<sup>3</sup>/<sub>4</sub>% notes exceeded 100% of the principal amount thereof, then the repurchase price for the notes shall exceed 100% of the principal amount thereof by the same percentage.

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Ranking	The notes are our senior subordinated obligations and will be subordinated to our senior indebtedness, which was \$77,765,740 as of March 3, 2007; structurally subordinated to any secured indebtedness (to the extent of its security); rank on parity with all of our existing and future senior subordinated debt, including our 7 <sup>3</sup> / <sub>4</sub> % notes; and be senior to all future subordinated debt. The notes are structurally subordinated to the indebtedness and other liabilities of our subsidiaries, which was \$23,058,144 as of March 3, 2007. We and our subsidiaries are prohibited from incurring additional indebtedness that ranks on parity in right of payment with the notes or senior indebtedness, other than indebtedness under our credit agreement, prior to November 21, 2008, and if we incur such indebtedness after November 21, 2008, we must offer to repurchase the notes with the net proceeds of such indebtedness. We may not incur any indebtedness that is junior in right of payment to the notes that has a maturity date prior to June 15, 2011.
Trading	Currently, there is no public market for the notes, and we cannot assure you that any such market will develop. The notes will not be listed on any securities exchange or be included in any automated quotation system. Our common stock is traded on The NASDAQ Global Market under the symbol RELL.
Sinking Fund	None.
Use of Proceeds	The net proceeds from the sale of the notes or the shares of common stock covered by this prospectus will be received by the selling holders. We will not receive any of the proceeds from any sale by any selling holder of the notes or the shares of common stock covered by this prospectus.
Book-Entry Form	The notes will be issued in book-entry form and represented by permanent global certificates deposited with, or on behalf of, the Depository Trust Company, or DTC, and registered in the name of a nominee of DTC. Beneficial interests in any of the securities will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.
Risk Factors	An investment in the notes and our common stock involves a high degree of risk. See Risk Factors beginning on page 12 for a discussion of certain factors that you should consider when evaluating an investment in the notes and the underlying common stock.

**Table of Contents****Summary Selected Consolidated Financial Information**

The following table contains summary selected consolidated financial information as of and for the fiscal years ended May 29, 2004, May 28, 2005 and June 3, 2006 and as of and for the nine months ended March 4, 2006 and March 3, 2007. The selected consolidated financial information as of May 28, 2005 and June 3, 2006 and for the fiscal years ended May 29, 2004, May 28, 2005, and June 3, 2006, are derived from our audited financial statements contained elsewhere in this prospectus. The selected consolidated financial data as of and for the nine months ended March 4, 2006 and March 3, 2007 are derived from our unaudited financial statements contained elsewhere in this prospectus and, in our opinion, reflect all adjustments, which are normal and recurring adjustments, necessary for a fair presentation. Our results of operations for the nine months ended March 3, 2007 may not be indicative of the results that may be expected for the full year. The summary selected consolidated financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and notes to those consolidated financial statements contained elsewhere in this prospectus. Historical results are not necessarily indicative of results to be expected in the future.

	Fiscal Year Ended <sup>(1)</sup>			Nine Months Ended	
	May 29, 2004 <sup>(2)</sup>	May 28, 2005 <sup>(3)</sup>	June 3, 2006	March 4, 2006	March 3, 2007
	(In thousands, except per share amounts)				
				(Unaudited)	(Unaudited)
<b>Statement of Operations Data:</b>					
Net sales	\$ 519,823	\$ 578,724	\$ 637,940	\$ 466,110	\$ 491,702
Cost of sales	393,101	442,730	482,171	350,983	370,756
Gross profit	126,722	135,994	155,769	115,127	120,946
Selling, general and administrative expenses <sup>(4)(5)</sup>	107,968	129,747	139,640	100,766	107,386
(Gain) loss on disposal of assets <sup>(6)(7)</sup>	579	(9,918)	3	(87)	(2,098)
Other expense, net <sup>(8)</sup>	10,258	7,582	10,550	9,128	10,530
Income before income taxes	7,917	8,583	5,576	5,320	5,128
Income tax provision	2,385	24,600	8,218	4,353	4,108
Net income (loss)	\$ 5,532	\$ (16,017)	\$ (2,642)	\$ 967	\$ 1,020
<b>Net income (loss) per share - basic</b>					
Common stock	\$ 0.40	\$ (0.96)	\$ (0.15)	\$ 0.06	\$ 0.06
Class B common stock	\$ 0.36	\$ (0.87)	\$ (0.14)	\$ 0.05	\$ 0.05
<b>Net income (loss) per share - diluted</b>					
Common stock	\$ 0.38	\$ (0.96)	\$ (0.15)	\$ 0.06	\$ 0.06
Class B common stock	\$ 0.36	\$ (0.87)	\$ (0.14)	\$ 0.05	\$ 0.05
<b>Weighted-average number of common shares outstanding:</b>					
Common stock - basic	10,872	13,822	14,315	14,310	14,493
Class B common stock - basic	3,168	3,120	3,093	3,093	3,048



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will set forth the name and address of the depositary. Subject to the terms of the deposit agreement, each owner of a depositary share will have a fractional interest in all the rights and preferences of the preferred stock underlying the depositary share. Those rights include any dividend, voting, redemption, conversion and liquidation rights.

The depositary shares will be evidenced by depositary receipts issued under the deposit agreement. If you purchase fractional interests in shares of the related series of preferred stock, you will receive depositary receipts as described in the applicable prospectus supplement. While the final depositary receipts are being prepared, we may order the depositary to issue temporary depositary receipts substantially identical to the final depositary receipts although not in final form. The holders of the temporary depositary receipts will be entitled to the same rights as if they held the depositary receipts in final form. Holders of the temporary depositary receipts can exchange them for the final depositary receipts at our expense.

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**DESCRIPTION OF THE  
COMMON STOCK**

We are authorized to issue up to 300,000,000 shares of common stock, par value \$.16 <sup>2</sup>/<sub>3</sub> per share. As of February 23, 2009, 169,621,706 shares of common stock were issued and outstanding and held of record by approximately 5,100 stockholders. There were outstanding options to purchase 6,947,986 shares of our common stock as of February 23, 2009. In addition, there were up to 4,888,655 shares of our common stock available for issuance under our stock incentive plan for directors, officers, employees and consultants as of that date. The following description of our common stock and provisions of our certificate of incorporation and bylaws are only summaries. For a complete statement of the terms and rights of our common stock, you should review the description of our common stock in the Form 8-A, which we have incorporated by reference, our certificate of incorporation and bylaws, which we have filed as exhibits to the registration statement of which this prospectus is a part, and Delaware corporate law.

The holders of our common stock are entitled to receive dividends out of our legally available assets or funds in cash, stock of any corporation or our property, as and when declared by our board of directors, subject to any dividend preferences that may be attributable to preferred stock. In the event of the liquidation or dissolution of our business, the holders of common stock will be entitled to receive ratably the balance of net assets available for distribution after payment of any liquidation or distribution preference payable with respect to any then outstanding shares of our preferred stock. Each share of our common stock is entitled to one vote with respect to matters brought before the stockholders, except for the election of any directors who may be elected by vote of any outstanding shares of preferred stock voting as a class. There are no preemptive,

conversion, redemption or sinking fund provisions applicable to our common stock.

Since February 1993, we have not declared or paid any cash dividends on our common stock. We do not presently intend to pay dividends, and we currently plan to retain our earnings for future operations and growth of our businesses.

The rights and privileges of our common stock will be subordinate to the rights and preferences of any of our preferred stock that we may issue in the future.

Our common stock is traded on the New York Stock Exchange under the symbol HUM.

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**DESCRIPTION OF THE  
SECURITIES WARRANTS**

This section describes the general terms and provisions of the securities warrants that we may offer by this prospectus. The applicable prospectus supplement will describe the specific terms of the securities warrants then offered, and the terms and provisions described in this section will apply only to the extent not superseded by the terms of the applicable prospectus supplement.

We may issue securities warrants for the purchase of senior debt securities, subordinated debt securities, preferred stock, depositary shares or common stock. Securities warrants may be issued alone or together with senior debt securities, subordinated debt securities, preferred stock, depositary shares or common stock offered by any prospectus supplement and may be attached to or separate from those securities. Each series of securities warrants will be issued under a warrant agreement between us and a bank or trust company, as warrant agent, which will be described in the applicable prospectus supplement. The warrant agent will act solely as our agent in connection with the securities warrants and will not act as an agent or trustee for any holders or beneficial holders of securities warrants.

If securities warrants for the purchase of senior debt securities or subordinated debt securities are offered, the applicable prospectus supplement will describe the terms of those securities warrants, including the following if applicable:

the offering price;

the currencies in which the securities warrants are being offered;



the designation, aggregate principal amount, currencies, denominations and terms of the series of the senior debt securities or subordinated debt securities that can be purchased upon exercise;

the designation and terms of any series of senior debt securities or subordinated debt securities with which the securities warrants are being offered and the number of securities warrants offered with each senior debt security or subordinated debt security;

the date on and after which the holder of the securities warrants can transfer them separately from the series of senior debt securities or subordinated debt securities;

the principal amount of the series of senior debt securities or subordinated debt securities that can be purchased upon exercise and the price at which and currencies in which the principal amount may be purchased upon exercise;

the date on which the right to exercise the securities warrants begins and the date on which the right expires; and

any other terms of the securities warrants.

If securities warrants for the purchase of preferred stock are offered, the applicable prospectus supplement will also describe the terms of the preferred stock into which the securities warrants are exercisable as described under Description Of The Preferred Stock And The Depositary Shares Representing Fractional Shares Of Preferred Stock.



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**PLAN OF DISTRIBUTION**

**General**

We may offer and sell securities in one or more transactions from time to time to or through underwriters, who may act as principals or agents, directly to other purchasers or through agents to other purchasers or through any combination of these methods.

A prospectus supplement relating to a particular offering of securities may include the following information:

the terms of the offering;

the names of any underwriters or agents;

the purchase price of the securities;

the net proceeds to us from the sale of the securities;

any delayed delivery arrangements;

any underwriting discounts and other items constituting underwriters' compensation;

any initial public offering price; and

any discounts or concessions allowed or reallocated or paid to dealers.

The distribution of the securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, at

market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices.

#### **Underwriting Compensation**

We may offer these securities to the public through underwriting syndicates represented by managing underwriters or through underwriters without an underwriting syndicate. If underwriters are used for the sale of securities, the securities will be acquired by the underwriters for their own account. The underwriters may resell the securities in one or more transactions, including in negotiated transactions at a fixed public offering price or at varying prices determined at the time of sale. In connection with any such underwritten sale of securities, underwriters may receive compensation from us or from purchasers for whom they may act as agents, in the form of discounts, concessions or commissions.

Underwriters may sell securities to or through dealers, and the dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agents.

If we use an underwriter or underwriters in the sale of particular securities, we will execute an underwriting agreement with those underwriters at the time of sale of those securities. The names of the underwriters will be set forth in the prospectus supplement used by the underwriters to sell those securities. Unless otherwise indicated in the prospectus supplement relating to a particular offering of securities, the obligations of the underwriters to purchase the securities will be subject to customary conditions precedent and the underwriters will be obligated to purchase all of the securities offered if any of the securities are purchased.

Underwriters, dealers and agents that participate in the distribution of securities may be deemed to be underwriters under the Securities Act. Any discounts or commissions that they receive from us and any profit

that they receive on the resale of securities may be deemed to be underwriting discounts and commissions under the Securities Act. If any entity is deemed an underwriter or any amounts deemed underwriting discounts and commissions, the prospectus supplement will identify the underwriter or agent and describe the compensation received from us.

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**Indemnification**

We may enter agreements under which underwriters and agents who participate in the distribution of securities may be entitled to indemnification by us against various liabilities, including liabilities under the Securities Act, and to contribution with respect to payments which the underwriters, dealers or agents may be required to make.

**Related Transactions**

Various of the underwriters who participate in the distribution of securities, and their affiliates, may perform various commercial banking and investment banking services for us from time to time in the ordinary course of business.

**Delayed Delivery Contracts**

We may authorize underwriters or other persons acting as our agents to solicit offers by institutions to purchase securities from us pursuant to contracts providing for payment and delivery on a future date. These institutions may include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases we must approve these institutions. The obligations of any purchaser under any of these contracts will be subject to the condition that the purchase of the securities will not at the time of delivery be prohibited under the laws of the jurisdiction to which such purchaser is subject. The underwriters and other agents will not have any responsibility in respect of the validity or performance of these contracts.

**Price Stabilization and Short Positions**

If underwriters or dealers are used in the sale, until the distribution of the securities is completed, rules of the SEC may limit the ability of any

underwriters to bid for and purchase the securities. As an exception to these rules, representatives of any underwriters are permitted to engage in transactions that stabilize the price of the securities. These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the securities. If the underwriters create a short position in the securities in connection with the offering (that is, if they sell more securities than are set forth on the cover page of the prospectus supplement) the representatives of the underwriters may reduce that short position by purchasing securities in the open market.

We make no representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the securities. In addition, we make no representation that the representatives of any underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

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**LEGAL MATTERS**

Unless otherwise specified in a prospectus supplement, the validity of any securities issued hereunder will be passed upon for us by Fried, Frank, Harris, Shriver & Jacobson LLP, New York, New York.

**EXPERTS**

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2008 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.



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**PART II**

**INFORMATION NOT  
REQUIRED IN PROSPECTUS**

**Item 14. Other Expenses of  
Issuance and Distribution**

The following table sets forth all fees and expenses payable by the Registrant in connection with the issuance and distribution of the securities being registered hereby (other than underwriting discounts and commissions). All such expenses are estimated.

SEC registration fee	\$ (1)
Printing and engraving expenses	\$ (2)
Legal fees and expenses	\$ (2)
Accounting fees and expenses	\$ (2)
Trustee s fees and expenses	\$ (2)
Blue sky fees and expenses	\$ (2)
Rating agency fees	\$ (2)
Miscellaneous	\$ (2)
<b>Total</b>	<b>\$ (2)</b>

(1)Deferred in reliance on Rules 456(b) and 457(r).

(2)The amount of these expenses are not presently known.

**Item 15. Indemnification of  
Officers and Directors**

The Registrant s Restated Certificate of Incorporation and bylaws, as amended, include provisions to (i) eliminate the personal liability of its directors for monetary damages resulting from breaches of their fiduciary duty to the extent permitted

by Section 102(b)(7) of the General Corporation Law of Delaware (the Delaware Law ) and (ii) authorize the Registrant to indemnify its directors and officers to the fullest extent permitted by Section 145 of the Delaware Law, including circumstances in which indemnification is otherwise discretionary.

Pursuant to Section 145 of the Delaware Law, a corporation generally has the power to indemnify its present and former directors, officers, employees and agents against expenses incurred by them in connection with any suit to which they are, or are threatened to be made, a party by reason of their serving in such positions so long as they acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of a corporation, and with respect to any criminal action, they had no reasonable cause to believe their conduct was unlawful. The Registrant believes that these provisions are necessary to attract and retain qualified persons as directors and officers. These provisions do not eliminate liability for breach of the director's duty of loyalty to the Registrant or its stockholders, for acts or omissions not in good faith or involving intentional misconduct or knowing violations of law, for any transaction from which the director derived an improper personal benefit or for any willful or negligent payment of any unlawful dividend or any unlawful stock purchase or redemption.

The Registrant has entered into agreements with its directors and executive officers that require the Registrant to indemnify such persons against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred (including expenses of a derivative action) in connection with any proceeding, whether actual or threatened, to which any such person may be made a party by reason of the fact that such person is or was a director or officer of the Registrant or any of its affiliates, provided such person acted in good faith and in a manner such person reasonably

believed to be in or not opposed to the best interests of the Registrant and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The indemnification agreements also set forth certain procedures that will apply in the event of a claim for indemnification thereunder.

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The Registrant has purchased an insurance policy covering the officers and directors of the Registrant with respect to certain liabilities arising under the Securities Act of 1933, as amended or otherwise.

Any underwriting agreements that we may enter into will likely provide for the indemnification of the Registrant, its controlling persons, its directors and certain of its officers by the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

**Item 16. Exhibits**

See Exhibit Index immediately following the signature page hereof, which is incorporated herein by reference.

**Item 17. Undertakings**

The undersigned Registrant hereby undertakes:

(a) (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement.

Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum

offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

*provided, however*, that paragraphs (i), (ii) and (iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(A) Each prospectus filed by the Registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date

the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the

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Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. *Provided, however,* that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of a Registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned Registrant undertakes that in a primary offering of securities of an undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:



(i) Any preliminary prospectus or prospectus of an undersigned Registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of an undersigned Registrant or used or referred to by an undersigned Registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about an undersigned Registrant or its securities provided by or on behalf of an undersigned Registrant; and

(iv) Any other communication that is an offer in the offering made by an undersigned Registrant to the purchaser.

(b) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) To file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Act.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the

Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Louisville, County of Jefferson, Commonwealth of Kentucky, on March 10, 2009.

HUMANA INC.  
(Registrant)

By: /s/ MICHAEL  
B.

MCCALLISTER  
**Michael B.  
McCallister**  
**President and  
Chief  
Executive  
Officer**

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**POWERS OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Michael B. McCallister and James H. Bloem his or her true and lawful attorney-in-fact and agent, each acting alone, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to the Registration Statement on Form S-3, and any and all additional registration statements filed under Securities and Exchange Commission Rule 462(b), and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

<b>Signature</b>	<b>Title</b>	<b>Date</b>
/s/ MICHAEL B. McCALLISTER	Director, President and	March 10, 2009
<b>Michael B. McCallister</b>	Chief Executive Officer	

		(Principal Executive Officer)	
/s/	JAMES H. BLOEM	Senior Vice President and	March 10, 2009
	<b>James H. Bloem</b>	Chief Financial Officer	
		(Principal Financial Officer)	
/s/	STEVEN E. McCULLEY	Vice President and Controller	March 10, 2009
	<b>Steven E. McCulley</b>	(Principal Accounting Officer)	
/s/	DAVID A. JONES, JR.	Chairman of the Board	March 10, 2009
	<b>David A. Jones, Jr.</b>		
/s/	FRANK A. D AMELIO	Director	March 10, 2009
	<b>Frank A. D Amelio</b>		
/s/	W. ROY DUNBAR	Director	March 10, 2009
	<b>W. Roy Dunbar</b>		
/s/	KURT J. HILZINGER	Director	March 10, 2009
	<b>Kurt J. Hilzinger</b>		
/s/	WILLIAM J. McDONALD	Director	March 10, 2009
	<b>William J. McDonald</b>		
/s/	JAMES J. O BRIEN	Director	March 10, 2009
	<b>James J. O Brien</b>		

/s/ MARISSA Director March  
T. PETERSON 10, 2009

**Marissa T.  
Peterson**

/s/ W. ANN Director March  
REYNOLDS, 10, 2009  
PH.D.

**W. Ann  
Reynolds,  
Ph.D.**

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**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description of Document</b>
1.1**	Form of Underwriting Agreement
3.1	Restated Certificate of Incorporation filed with the Secretary of State of Delaware on November 9, 1989, as restated to incorporate the amendment of January 9, 1992 and the correction of March 23, 1992 (incorporated herein by reference to Exhibit 4(i) to the Company's Post-Effective Amendment to the Registration Statement on Form S-8 (Reg. No. 33-49305) filed February 2, 1994)
3.2	Bylaws, as amended on January 4, 2007 (incorporated by reference to Exhibit 3(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 2006)
4.1	Indenture, dated August 5, 2003, by and between the Company and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.) (as successor to The Bank of New York) as trustee, relating to the senior debt securities (incorporated herein by reference to Exhibit 4.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003)
4.2	First Supplement Indenture, dated as of August 5, 2003, by and between the Company and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company,

- N.A.) (as successor to The Bank of New York), as trustee (incorporated by reference to Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003)
- 4.3 Second Supplemental Indenture, dated as of May 31, 2006, by and between the Company and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as trustee (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on May 31, 2006)
- 4.4 Third Supplemental Indenture, dated as of June 5, 2008, by and between the Company and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as trustee (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 5, 2008)
- 4.5 Fourth Supplemental Indenture, dated as of June 5, 2008, by and between the Company and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as trustee (incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on June 5, 2008)
- 4.6 Indenture, dated March 30, 2006, by and between the Company and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as trustee, relating to the subordinated debt securities (incorporated



herein by reference to  
Exhibit 4.2 to the  
Company's Registration  
Statement on Form S-3  
(Reg. No. 333-132878)  
filed March 31, 2006)

- 4.7\*\* Form of Senior Debt Security
- 4.8\*\* Form of Subordinated Debt Security
- 4.9\*\* Form of Certificate of Designation
- 4.10\*\* Form of Common Stock Warrant Agreement
- 4.11\*\* Form of Common Stock Warrant Certificate
- 4.12\*\* Form of Preferred Stock Warrant Agreement
- 4.13\*\* Form of Preferred Stock Warrant Certificate
- 4.14\*\* Form of Debt Securities Warrant Agreement
- 4.15\*\* Form of Debt Securities Warrant Certificate

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4.16**	Form of Depositary Agreement
4.17**	Form of Depositary Receipt
5.1*	Opinion of Fried, Frank, Harris, Shriver & Jacobson LLP
12.1	Computation of ratio of earnings to fixed charges (incorporated by reference to Exhibit 12 to the Company's Form 10-K for the year ended December 31, 2008 (No. 001-05975))
12.2**	Computation of ratio of combined fixed charges and preference dividends to earnings
23.1*	Consent of Fried, Frank, Harris, Shriver & Jacobson LLP (See Exhibit 5.1.)
23.2*	Consent of PricewaterhouseCoopers LLP
24.1*	Powers of Attorney (included on the signature page herein)
25.1*	Statement of Eligibility of Trustee on Form T-1 for the senior indenture
25.2*	Statement of Eligibility of Trustee on Form T-1 for the subordinated indenture

\* Filed herewith

\*\* Executed versions of this agreement or item, if any, will be filed by Current Report on Form 8-K after the issuance of the securities to which they relate.