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ARIZONA CORPORATION COMMISSION

JAMES MATTHEWS
EXECUTIVE SECRETARY

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007-2996
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470

May 23, 1996

Jodie M. Bourdet, Esq.
Cooley Godward et. al.
One Maritime Plaza, 20th Floor
San Francisco, CA 94111-3580

RE: Wired, Inc. No-action Request
A.R.S. § R14-4-137

Dear Ms. Bourdet:

On the basis of the facts set forth in your letter of May 15, 1996, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction take place as set forth in your letter.

As this position is premised upon the facts set forth in your letter, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

We have attached a photocopy of your letter. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,

A handwritten signature in black ink, appearing to read "Dee Ridgell Harris".

DEE RIDDELL HARRIS
Director of Securities

DRH:nc
Attachment

COOLEY GODWARD

COOLEY GODWARD CASTRO HUDDLESON & TATUM

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May 15, 1996

VIA FEDERAL EXPRESS

State of Arizona
Corporation Commission
Securities Division
1300 West Washington Street, Third Floor
Phoenix, AZ 85007

Attention: Sereptha J. Davila

Re: Wired Ventures, Inc.

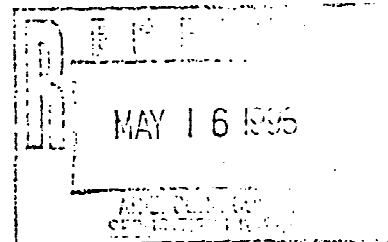
Dear Ms. Davila:

Recently we contacted your office concerning a reorganization transaction being undertaken by Wired Ventures, Inc., a Delaware corporation (the "Issuer"). In such restructuring, one Arizona resident will receive shares of the Issuer's Series A Preferred Stock. The purpose of this letter is to request a no-action letter from the Securities Division with respect to such issuance.

Summary of the Restructuring

Currently, *Wired* magazine, the HotWired World Wide Web site and their related businesses (the "Wired Businesses") are operated by Wired Holdings Inc., a California corporation, Wired USA Ltd., a California limited partnership, Wired Ventures, Ltd., a California limited partnership and HotWired Ventures LLC, a California limited liability company. Through the restructuring, all of the owners of the Wired Businesses will contribute their respective ownership interests to the Issuer in exchange for shares of Series A Preferred Stock in the new company. The pending transaction will result in all Wired Businesses being 100% owned by the Issuer. Going forward, Wired Ventures, Inc. will operate the Wired Businesses through three wholly-owned subsidiaries, Wired Magazine, Inc., HotWired, Inc. and HardWired, Inc.

The Restructuring will be exempt from registration under the United States Securities Act of 1933, as amended (the "Securities Act"), through the exemption provided by Section 3(a)(10) of the Securities Act, which exempts from registration securities issued in exchange for one or more bona fide outstanding securities *where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by any State governmental authority authorized by law to grant such approval.* The fairness



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hearing was held today before the California Commissioner of Corporations, a governmental body authorized by law to grant such approval, and a permit was issued pursuant thereto. All persons receiving securities in the restructuring transaction were given notice of such hearing on April 26, 1995 and were given the opportunity to appear at such hearing. Copies of the Notice of Hearing and the permit (together with a Certificate of Issuance of Permit evidencing the finding of fairness) are enclosed herewith for your review.

Issuance of Securities to Arizona Resident

A total of approximately 50,000 shares of the Issuer's Series A Preferred Stock will be issued to one resident of the State of Arizona in connection with the restructuring. This resident is an "accredited investor," as defined in the rules under the Securities Act. This resident is also a long-time investor in the Wired Businesses and is a relative of one of the key employees of the Company.

Exemption Provided by Section R14-4-137 of the Arizona Blue Sky Regulations

Section R14-4-137 of the Arizona Blue Sky Regulations provides an exemption that parallels the exemption provided by Section 3(a)(10) of the Securities Act. The Issuer would have been able to utilize such exemption, except that it did not provide a copy of the Notice of Hearing to the Securities Division more than ten calendar days prior to the hearing.

Request for No-Action Letter

In light of the determination of fairness made with respect to the restructuring by the California Commissioner of Corporations, the sophisticated nature of the Arizona resident involved, and the exemption currently provided by Section R14-4-138 of the Arizona Blue Sky Regulations, we respectfully request your concurrence that the restructuring transaction described above either qualifies for an exemption or will not require registration of the securities to be issues, the issuer as a broker-dealer or an officer or employee of the Issuer as an agent. A check in the amount of \$200.00 is enclosed in payment of the prescribed fee.

We anticipate closing the proposed restructuring on May 22, 1996. Therefore, your prompt response to this request would be greatly appreciated.

Please acknowledge receipt of this letter and its enclosures by file-stamping the enclosed copy of this letter and returning it to me in the envelope provided.

COOLEY GODWARD

COOLEY GODWARD GASTRO HUDDLESON & TATUM

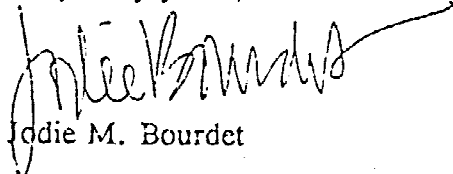
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If you have any questions regarding the foregoing, please contact me at (415) 693-2054.

Very truly yours,



Jodie M. Bourdet

Enclosures

cc: Ludwell Strickler

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