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ARIZONA CORPORATION COMMISSION

SECURITIES DIVISION
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May 14, 1992

Howard S. Zeprun, Esq.
Wilson, Sonsini, Goodrich & Rosati
Two Palo Alto Square
Palo Alto, CA 94306

RE: Quidel Corporation
S-00076-NOAC
A.R.S. § 44-1844(A)(2); Rule R14-4-137

Dear Mr. Zeprun:

On the basis of the facts set forth in your letter of April 29, 1992, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona (the "Act") should the transaction take place as set forth in your letter, subject to the provisos contained herein. We do not believe that the exemption provided in A.R.S. § 44-1844(A)(2) is applicable to the proposed transaction. However, it appears that the exemptions provided in A.R.S. § 44-1843(A)(7) and Rule R14-4-137 might be.

A.R.S. § 44-1843(A)(7) provides an exemption from the registration requirements of the Act for "any warrant or right to purchase or subscribe" to "securities designated or approved for designation on notice of issuance on the national market system of a national securities association." A.R.S. § 44-1843(B) requires issuers of securities exempt under A.R.S. § 44-1843(A)(7) to pay a fee of two hundred dollars to the Arizona Corporation Commission. As you have already paid a filing fee in accordance with the provisions of A.R.S. § 44-1861(L), no additional fee shall be due if the issuer chooses to rely on the exemption provided by A.R.S. § 44-1843(A)(7). In addition, please note the provisions of A.R.S. § 44-1843(C), which require certain issuers of securities, exempt under subsection A, to provide copies of their Securities Exchange Act reports to the public reference rooms established by the Arizona Corporation Commission.

In the event that the issuer opts to rely on the exemption provided in A.R.S. § 44-1843(A)(7), please be aware that Rule R14-4-104(A)(1) provides that no dealer or salesman shall engage in transactions involving such exempt securities, unless such dealer or salesman is registered pursuant to Article 9 of the Act. "No dealer or salesman shall, however, be required to register for the

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purpose of selling or offering to sell that portion of an offering of securities so listed...which is directed to securities holders... of an issuer when the offering is made by the issuer, or is made by a dealer or salesman acting without compensation." We would urge you to ascertain the applicability of the foregoing provisions to the proposed transaction.

As an alternative, please be aware that on December 20, 1991, A.A.C. Rule R14-4-137, which provides a transactional exemption for securities issued pursuant to court order, became effective. We have reviewed the provisions of A.A.C. Rule R14-4-137 in order to determine if such exemption might be applicable to your situation. We believe that it is, in view of the fact that the issuance will be made pursuant to a final judgment or order of a federal court of competent jurisdiction. In order to perfect this exemption, the Issuer would be required to file with the Commission one copy of the final signed order of the court (Rule R14-4-137, paragraph B.4.). There would be no additional fees due with this notice filing, as you have already paid a filing fee in accordance with the provisions of A.R.S. § 44-1861(L).

As the position taken in this response 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,



DEE RIDDELL HARRIS
Director of Securities

DRH:MGB:ck

Attachment

WILSON, SONSINI, GOODRICH & ROSATI

PROFESSIONAL CORPORATION

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April 29, 1992

Michael Burton, Esq.
Arizona Corporation Commission
Securities Division
234 North Central Avenue, Suite 425
Phoenix, Arizona 85004

RE: Request for "No Action"
Quidel Corporation

Dear Mr. Burton:

We are writing on behalf of Quidel Corporation (the "Company") in connection with the issuance of warrants to purchase up to 950,000 shares of its Common Stock (the "Warrants") in the transaction outlined below. The issuance of the Warrants will be made in reliance upon an exemption from registration available under Section 44-1844(A)(2) of the Arizona Revised Statutes, and in reliance upon exemption from registration under Section 3(a)(10) of the Securities Act of 1933, as amended. We respectfully request that the Arizona Corporation Commission take "no action" against the Company in connection with this issuance.

In furtherance of our request, we submit the following:

1. The Warrants are to be issued in accordance with the terms and conditions of the judicially approved settlement of the securities class action (the "Settlement") to those persons who purchased the Common Stock of Monoclonal Antibodies, Inc. from September 24, 1985 through August 28, 1986, except those persons who file valid and timely requests for exclusion from such class with the Court (the "Settlement Class"). In January 1991 the shareholders of Monoclonal Antibodies, Inc. and Quidel Corporation approved and authorized the merger of Quidel with and into Monoclonal. Subsequent to the merger, Monoclonal changed its name to Quidel. The Warrants will be issued solely to the members of the Settlement Class and to plaintiffs' counsel (as part of the court-approved attorneys' fees), and the consideration given by the class members in exchange for the Warrants is the release of their claims against the Company.

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The issuance of the Warrants is exempt from registration under the Securities Act by virtue of Section 3(a)(10) of such Act. The shares of Common Stock issuable upon exercise of the Warrants will be covered by a registration statement to be filed with the Securities and Exchange Commission and will also be qualified under applicable state blue sky laws, except to the extent an exemption for such issuance of Common Stock is available.

The Company's Common Stock is trading on the NASDAQ/National Market System at a price of \$5.50 per share as of April 20, 1992. The Company is obligated to file a registration statement covering the Common Stock underlying the Warrants at such time as the closing price of the Common Stock has been (i) at least \$6.50 per share for 20 consecutive trading days or (ii) at least \$7.50 per share for 10 consecutive trading days. The Warrants may not be exercised until such registration statement is declared effective by the SEC and all further action to qualify the issuance of the underlying Common Stock under federal and state laws has been taken.

2. The Company has not been advised by counsel for the Settlement Class that there are 19 claimants resident in the State of Arizona, who will receive Warrants to purchase up to an aggregate of 4,500 shares of Common Stock. Under the terms of the Settlement, the Company has been required to ensure that action has been taken under state securities laws to allow for the issuance of the Shares to the members of the Settlement Class.

It is our opinion that the transaction described above, while not contemplated under the Arizona securities law, should be deemed to be exempt based upon the facts as presented above. We respectfully submit that the transaction set forth above satisfies the intent of Section 44-1844(A)(2) as the Warrants will be issued under the supervision and the direction of the District Court. Finally, we submit that the grant of this request will expedite the execution of the terms of the Settlement which are designed to protect the interests of all claimants.

Based upon the foregoing, we respectfully request that the Commission take "no action" with respect to the Company's distribution of the Warrants in accordance with the terms and conditions of the Settlement in reliance upon the exemption set forth under Section 44-1844(A)(2) of the Arizona Revised Statutes.

Finally, we can advise you that payment of the requisite fee for our request was made under separate letter, a copy of which is enclosed herewith.

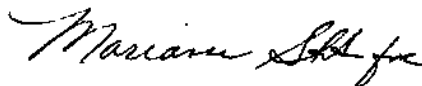
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Please acknowledge receipt of this letter by stamping as filed the enclosed copy of this letter, and returning it to the undersigned in the enclosed self-addressed, stamped envelope.

If you have any questions, or if you require any further information, please do not hesitate to contact me at the above number.

Sincerely,

WILSON, SONSINI, GOODRICH & ROSATI
Professional Corporation



Howard S. Zeprun

cc: Marianne Stark, Senior Legal Assistant