

B-003-008

JOSEPH G. KRASSY

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**VIA FEDERAL EXPRESS**

May 29, 2003

Richard Djokic, Deputy Securities Commissioner  
Department of Regulatory Agencies  
Division of Securities  
1580 Lincoln, Suite 420  
Denver, Colorado 80203-1506



Re: Mindspeed Technologies, Inc.

Dear Mr. Djokic:

On behalf of Mindspeed Technologies, Inc. (the "Company") please find enclosed a copy of Amendment No. 1 to Form 10/A as filed with the Securities and Exchange Commission on May 13, 2003 to register under the Securities Act of 1934 the Common Stock of the Company. The Company is a wholly-owned subsidiary of Conexant Systems, Inc. ("Parent"). Parent proposes to distribute to its shareholders all of the outstanding shares of the Company (the "Shares"). After the distribution, the Company will be a separately traded public company owning and operating Parent's Mindspeed business, designing, developing and selling semiconductor networking solutions for communications applications in enterprise, access, metropolitan and wide-area networks. Shareholders are not required to pay for the Shares or to take any other action to participate in the distribution. As noted at page 59 of the Information Statement, included as part of the Form 10/A, "Conexant shareholders will not be required to pay for shares of our common stock received in the distribution, or to surrender or exchange shares of Conexant common stock or take any other action in order to receive our common stock." The terms of the Distribution Agreement between the Company and Parent are summarized at page 63 of the Information Statement.

The shares of Parent trade on the Nasdaq National Market System and the Company has applied to list the Shares on the American Stock Exchange. Under Section 18(b) of the Securities Act of 1933, upon approval of Amex listing, the Shares will be a "covered security", exempt from registration requirements of state securities laws.

Mellon Investor Services LLC will serve as distribution agent, which contemplated services are to be strictly administrative, involving responses to shareholder inquiries (e.g. how many shares does one get, etc.) but no solicitation activities. Employees, officers and directors of the Company and Parent will not be engaged in solicitation activities.

Exemption is respectfully claimed from dealer/agent registration under Section 11-51-401 on the ground that the foregoing distribution of the Shares qualifies as a stock dividend by Parent to its stockholders and is excluded from the definition of "sale" under Section

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11-51-201(13)(h) of the Colorado Securities Act. In the alternative, it is requested that the Commissioner issue a letter or ruling confirming that the Division will take no-action against the Company or Parent or their respective employees if dealer/agent registration under Section 11-51-401 is not undertaken for the distribution of the Shares pro-rata to existing security-holders.

In furtherance thereof, please find enclosed our check in the amount of \$100 to cover the requisite fee and the Company's Consent to Service of Process. Please acknowledge your receipt of this filing by signing or stamping the enclosed copy of this letter and returning it in the stamped, addressed envelope provided for that purpose.

Should you have any questions regarding the foregoing or require additional information, please call me at the above number. Your attention to this matter is appreciated.

Very truly yours,

Joseph G. Krassy

Enclosures

B-003-008

# STATE OF COLORADO

**Division of Securities**  
Department of Regulatory Agencies

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Denver, Colorado 80203  
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Fred J. Joseph  
Securities Commissioner



Bill Owens  
Governor  
Richard F. O'Donnell  
Executive Director

June 24, 2003

**Via Facsimile and U.S. Mail**

Joseph G. Krassy  
Thelan, Reid & Priest  
875 Third Avenue, Suite 1161  
New York, New York 10022-6225

**RE: Mindspeed Technologies, Inc.**  
**Our File No. B-003-008**

Dear Mr. Krassy:

We are in receipt of your letter dated May 29, 2003, with enclosures, in connection with the above-referenced matter. On behalf of Mindspeed Technologies, Inc., ("Mindspeed"), you have requested the position of the staff of the Colorado Division of Securities ("Staff") regarding a proposed distribution of all the outstanding shares of common stock of Mindspeed by Conexant Systems, Inc. ("Conexant"), Mindspeed's parent company, to the shareholders of Conexant (the "Distribution"). Mindspeed specifically requests, in connection with the Distribution, that the Staff confirm an exemption from the broker-dealer and sales representative licensing provisions of the Colorado Securities Act ("Act") for Mindspeed, Conexant, and their respective officers, directors, and employees relative to the Distribution. Alternatively, Mindspeed requests the Staff issue a no-action position relative to these issues.

Based on the facts in your letter, we understand that Conexant, whose shares are listed for trading on the Nasdaq National Market, proposes to distribute to its shareholders all the outstanding shares of Mindspeed, which total approximately 89.3 million shares. After the Distribution, Mindspeed will be a separately traded company owning and operating Conexant's business of designing, developing and selling semiconductor networking solutions for communications applications in enterprise, access, metropolitan, and wide-area networks. Conexant shareholders will not be

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required to pay for the Mindspeed shares or to take any other action to participate in the Distribution.

In connection with the Distribution, Mindspeed has filed with the United States Securities and Exchange Commission ("SEC") its Amendment No. 1 to Form 10/A on May 13, 2003. The Form 10/A, which contains an Information Statement, has been filed with the SEC to register the common stock of Mindspeed under the Securities Exchange Act of 1934. The Staff further understands shareholders of Conexant will receive the Information Statement containing details about the Distribution. Additionally, as a condition of the Distribution, we understand Mindspeed has applied for its shares to be listed and authorized for trading on the American Stock Exchange.

From your letter, we further understand the officers, directors, and employees of Mindspeed and Conexant will not be engaged in the solicitation of investors or shareholders in connection with the Distribution. Your letter indicates that Mindspeed and Conexant will engage Mellon Investor Services, LLC, as the Distribution Agent for the proposed Distribution. The Distribution Agent's services will be strictly administrative, and will not involve solicitation activities. Further, we understand that options to purchase shares of Mindspeed common stock will be granted to Conexant in connection with the Distribution.

The Staff cannot confirm that the Distribution will not involve an "offer" or "sale" of a security under the Act. As defined in the Act, an "offer" or "sale" is not involved relative to a dividend payable by an issuer only in its own securities if stockholders give nothing of value for the dividend. See, §11-51-201(13)(h), C.R.S. In the Distribution, however, Conexant is not making a distribution of its own securities, but rather a distribution of the common stock of Mindspeed owned by Conexant. As such, the Distribution may involve an "offer" or "sale" of securities.

While the Staff cannot confirm the availability of an exemption from the broker-dealer and sales representative licensing provisions of the Act found at §11-51-401, C.R.S. for Conexant, Mindspeed or their respective officers, directors, and employees in connection with the Distribution, in light of the facts represented, including that the officers, directors, and employees of Conexant and Mindspeed will not be engaged in solicitation activities, the Staff will not recommend that formal enforcement proceedings be initiated against Conexant, Mindspeed, or their respective officers, directors, or employees for violation of the broker-dealer or sales representative licensing provisions of the Act relative to the Distribution.

It should be noted that by this letter, the Staff only expresses its position on any enforcement action based on the licensing provisions of the Act in connection with the Distribution, and does not purport to express any formal opinion or conclusion on the issues presented. Also, the position taken by the Staff is based on the facts and representations in your letter and attached Form 10/A; any change in such facts or representations might require a different response.

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Should there be any questions, please feel free to contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Djokic". The signature is written in a cursive style with a prominent initial "R".

Richard Djokic  
Deputy Securities Commissioner