

# GREY VALUE MANAGEMENT, LLC

## TYCO / RADIONICS TRADE

### **Tyco (TYC) Trade on Overreaction to Radionics Unit Inquiry**

This trade was based on an overreaction to the announcement of an FDA warning re. the quality control at Tyco's Radionics unit in Mass., which manufactured shunts and catheters. Investors were so gun-shy re. this stock that it plummeted \$1.50 intraday without any consideration of the negligible impact such a development would have on the Company's bottom line. This is a primary example of a fundamentally irrational response and a great, low-risk intraday trade. This wasn't a large position due to the highly volatility and continuing transformation of TYC's shareholder base, and wasn't a home run on a gross return basis, but it nonetheless presented a very attractive, low-risk incremental profit. It is important to note that this was of course well before the major accounting scandal that eventually brought Tyco to its knees.

Average Purchase Price	\$31.25
Average Selling Price	\$31.75
Gross Return on Trade	1.6%
Timeframe	< 1 day

Steven R. Grey