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FISCHER BLACK
Professor of Finance

March 21, 1973

Professor E.O. Thorp
Department of Mathematics
University of California, Irvine
Irvine, California 92664

Dear Professor Thorp:

I am an admirer of your work. The option valuation formula that Scholes and I have developed and tested is based on a notion of "hedging" very similar to the one you use.

I'd appreciate any comments you may have.

Sincerely,

Fischer Black

FB:db
Enclosure