

Verne, B. Michael

7A(C)(1)

From: [REDACTED]
Sent: Tuesday, April 23, 2013 4:35 PM
To: Walsh, Kathryn; Verne, B. Michael
Cc: [REDACTED]
Subject: Ordinary Course Exemption

Mike and Kate,

I have a question about the application of the ordinary course of business exemption (802.1) as applied to the acquisition of a portfolio management business.

Seller (acquired entity UPE) is selling the assets of a portfolio management business. The business being sold manages assets of third parties relating to a "funds of funds" business that invests in private equity funds and other secondary assets. To acquire the business, Buyer will become the general partner of the current general partner of the funds managed by the business, and will also assume the advisory and management role of the business by assumption of the management contracts for cash consideration. (Buyer may also acquire minority equity LP interests in a few of the funds themselves.)

Acquired person UPE will remain in the portfolio management business after this transaction closes, but may or may not manage the same type of assets as those managed by the business being sold here. In sum, the assets being acquired could be said to constitute an operating unit, but not all the operations of acquired person UPE relating to portfolio management. Buyer UPE is also in the portfolio management business. Given these facts, would you agree that the ordinary course exemption applies?

Best regards,

[REDACTED]

ORDINARY COURSE IS OK

BW
4/27/13

KW CONCUR