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Michael Verne

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From: [REDACTED]  
Sent: Thursday, January 16, 2003 2:15 PM  
To: Michael Verne  
Subject: Hypothetical

Hi Mike. I hope that you are doing well. Please let me know if the PNO's interpretations have changed in such a way that would render the transaction described below unreportable:

UPE is entitled to 51% of the profits and residual assets of LLC and owns 98% of Subcorp. LLC drops assets into a wholly-owned LLC ("New LLC") and then sells New LLC to Subcorp. Assume the value of New LLC's assets exceeds \$50 million. UPE thus is acquiring the assets of New LLC from itself.

Thanks,

[REDACTED]

AGREE THAT UNDER OUR CURRENT  
POSITION THIS IS REPORTABLE.

B. Michael [Signature]

1/16/02