

801.10

Verne, B. Michael

From: [Redacted]  
Sent: Wednesday, March 02, 2005 1:31 PM  
To: Verne, B. Michael  
Subject: Valuation under new rules

Mike - I assume that the 801.10 valuation rules for an LLC will treat it comparably to a corporation with respect to liabilities. That is, if Acquiror intends to buy 100 of the LLC interests for \$40 million and that acquisition price is determined, that's the end of the valuation analysis. It does not matter that the LLC has \$30 million in liabilities, b/c you do not need to add those to the acquisition price. E.g. ABA Interp. 97 - dealing with liabilities in the context of acquisitions of voting securities.

(FYI - I know that 100% is no longer a magic number, but I use that just because that's the situation I am analyzing).

Congratulations on getting the Non-corporate entities rules out. Do you know when they will be published in the Federal Register?

Thanks,

[Redacted]

Agree -  
B. Michael  
3/2/05

[Redacted]

\*\*\*\*\*  
\*\*\*\*\*

This message is a PRIVATE communication. This message and all attachments are a private communication sent by a law firm and may be confidential or protected by privilege. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of the information contained in or attached to this message is strictly prohibited. Please notify the sender of the delivery error by replying to this message, and then delete it from your system. Thank you.

\*\*\*\*\*  
\*\*\*\*\*

[Redacted]