

Verne, B. Michael

802.51
801.2(F)

From: [REDACTED]
Sent: Tuesday, March 21, 2006 11:21 AM
To: Verne, B. Michael
Subject: HSR

Dear Mike:

Could you give your thoughts on the reportability of the acquisition(s) below? Any direction would be greatly appreciated.

- * Acquiring Person A currently holds 49% of C LLC;
- * The remaining 51% of C LLC is currently held by B LLC (C LLC is currently controlled by B LLC).

A proposes to acquire 49% of the interests in B LLC for approximately \$44 million. As a result of the acquisition, A will not control B LLC and will not hold non-corporated interests in B LLC in excess of \$56.7 million. As a result of the acquisition of 49% of B LLC, however, A will hold approximately 73.9% of the non-corporate interests in C LLC, valued in excess of \$56.7 million. Please assume the size of person tests are met.

I understand A's acquisition of control of C LLC would not be a secondary acquisition since: (1) A is not acquiring control of B LLC; and (2) B LLC currently controls C LLC. It seems that the acquisition of the B LLC interests would not be reportable but the acquisition the C LLC interests would be (unless an exemption applies). It is possible that the acquisition of the assets of C LLC may qualify for an 802 exemption, but that has not yet been confirmed.

Please let me know if you need any clarification/additional information on the above.

Many thanks,



NOTHING REPORTABLE. A DOES NOT
HOLD ANY ADDITIONAL INTEREST IN
C AS A RESULT OF ACQUIRING
49% OF B. NO OTHER CONCNS.

B. Michael
3/21/06

This electronic message is from a law firm. It may contain confidential or privileged information. If you received this transmission in error, please reply to the sender to advise of the error and delete this transmission and any attachments.

IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.