

801.1 (b)

Verne, B. Michael

From: [REDACTED]
Sent: Monday, April 10, 2006 7:09 PM
To: Verne, B. Michael
Subject: Control Question

Hi Mike,

I hope you are well. Here is a question to which I believe I know the answer, but I just want to confirm.

If a member controls LLC A by having the right to 52% of the profits and LLC A holds 15% of LLC B, is the entire 15% ownership of LLC B attributed to the member or 52% of 15%?

Then, if the 15% ownership in LLC B were acquired by a third party for \$30 million, would the member be deemed to receive the entire \$30 million or 52% of \$30 million?

Thanks for your help.



THE ENTIRE 15% OWNERSHIP OF LLC B IS ATTRIBUTED TO THE 52% MEMBER. I WOULD ASSUME THAT IF THE 15% WAS SOLD TO A THIRD PARTY THE CONSIDERATION WOULD BE DIVIDED AMONG ALL OF THE MEMBERS OF LLC A.

Blanchard
4/10/06

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