

801.10

Verne, B. Michael

From: [Redacted]  
Sent: Tuesday, November 28, 2006 8:54 AM  
To: Verne, B. Michael  
Cc: [Redacted]  
Subject: HSR Advice.

Dear Mike - I would be grateful for your guidance on the following:

Pursuant to a purchase agreement, Company C proposes to acquire all of the issued and outstanding capital stock of Company A and certain real property assets of Company B. Company A and Company B are affiliated entities with a substantially similar line-up of shareholders, but Company A and Company B are each their own ultimate parent entity. The value of Company A's capital stock is approximately \$45,000. The value of the real property assets being purchased from Company B is approximately \$15 million.

Company A owns a preferred interest in Company B, which interest must be redeemed upon the sale of such real property assets in accordance with the terms of a pre-existing arrangement. Company A intends to dividend out to its stockholders the net proceeds of such redemption at closing.

Further, consistent with past practices, Company A intends to declare a separate cash dividend as of or immediately prior to the closing. -

\*Questions - 1) Does the \$15 million dividend need to be aggregated with the \$45 million in determining the size of transaction? - NO

2) May I assume that the the value of the cash dividend declared by Company A prior to the closing will not need to be included in determining the size of transaction. -YES

Thanks  
[Redacted]

*Bruce*  
11/28/06

