

Verne, B. Michael

801.11

From: [REDACTED]
Sent: Monday, January 22, 2007 1:56 PM
To: Verne, B. Michael
Subject: Quick Question -- Balance Sheet Timing

Mike,

Hoping all's well with you in 2007. I have a very quick question for you. I represent a client in a transaction whose current balance sheet shows them below the larger part of the size-of-transaction test (its revenues are also below threshold, and target will only satisfy the smaller but not the greater part of the size-of-person test). The transaction will satisfy the smaller size-of-transaction threshold but not the larger where the size-of-person test becomes irrelevant.

Prior to closing the transaction our client will be closing on a financing that will easily bring it past the size-of-person test (as revised) and will have this reflected in its most recent balance sheet also prior to that closing. Although closing the financing is not a condition to closing the transaction, it's a virtual certainty to be completed and reflected in the balance sheet at that time and we'd be willing to represent to that in the filing in order to get it underway.

Would this representation be a sufficient basis on which to file, rather than being forced to wait until the balance sheet actually reflects the increased level of assets?

Thanks,



YES -
M
1/22/07

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