

Verne, B. Michael

Item 5

From: [REDACTED]
Sent: Monday, March 19, 2007 10:00 AM
To: Verne, B. Michael

Hello, Mike. I have a few questions and believe e-mail is less burdensome to you than a phone call. If this is incorrect, please let me know.

My questions are as follows:

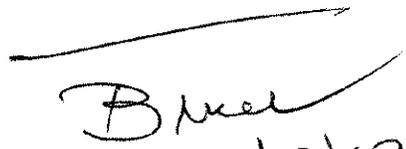
1. A is making a filing to acquire B. B has a subsidiary that is a 50/50 JV with A. aside from the revenues attributable to the JV, there is no overlap between A and B. For purposes of the filing, A must report everything it controls but can B exclude information as to the JV because its acquisition is exempt under the intra-person rule? That would eliminate the need to report a misleading overlap.
2. A considered acquiring 20% of B at several points during the last two years and eventually purchased 4% of B. It generated 4c type documents during this time. Now, A is buying all of B and has generated more 4c documents. Must the earlier ones be submitted or should they be included only if they have been consulted or considered in the most recent go-round?
3. If a hotel group is being sold and it is reportable due to the value of non-exempt assets such as management of third party hotels, in the filing by the seller, I assume that they should include information only as to the non-exempt portion, not as to all of their hotels. Is this correct?

Thank you for your consideration of these questions.



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1. You can footnote Items 5 and 7 to reflect that. I'd still report the revenues and the overlap, but explain that A already holds 50% of the JV that is responsible for the overlap.
2. They would be included only if they have been consulted or considered in the most recent go-round.
3. That would be true in an asset deal. If it is a voting securities acquisition or an acquisition of non-corporate interests, all of the hotel operations would be included.


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