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801.50  
801.11(e)

**Verne, B. Michael**

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**From:** [REDACTED]  
**Sent:** Wednesday, April 11, 2007 4:15 PM  
**To:** Verne, B. Michael  
**Subject:** Advice Please

Dear Mike - I would be grateful for your advice on whether the following transaction is reportable:

LLC X, whose only asset is a wind farm valued in excess of \$300 million is owned 52% by Party A, and 48% by Party B. (Acquired Person)

LLC Z will be formed and will be owned 24% by an affiliate of Party A, 20% by an affiliate of Party B, 28% by Party C, and 28% by Party D.

Each of the owners of LLC Z (A,B,C, and D) will make a pro rata cash capital contribution to LLC Z which LLC Z will use to acquire the LLC X for approximately \$300 million.

LLC Z will contain only the cash contributed by A , B , C and D and its sole purpose will be to purchase LLC X.

Thanks so much,  
[REDACTED]

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**IRS Circular 230 disclosure:**

To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice contained in this communication, unless expressly stated otherwise, was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any tax-related matter (s) addressed herein.

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For more information about [REDACTED]

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The formation of LLC Z is not reportable because all that is being contributed is cash. The subsequent acquisition of LLC X would be non-reportable if the value was less than \$239.2 MM, but because it exceeds that amount, the size-of-person test is inapplicable and the acquisition would be reportable. There is no exemption for an acquisition of an existing wind farm.

*Bu*  
4/11/07