

Verne, B. Michael

7A(c)(10)

From: [REDACTED]
Sent: Tuesday, July 17, 2007 10:55 AM
To: Verne, B. Michael
Subject: (c)(10) statutory exemption

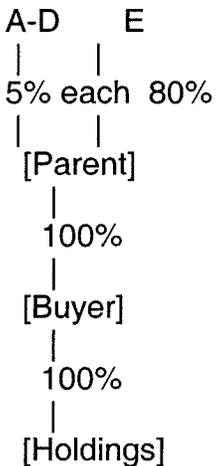
Mike,

Would the A, B, C & D be able to take advantage of the (c)(10) statutory exemption (transaction does not directly or indirectly increase voting percentage) under the following facts?

Today, A, B, C, and D each own 25% of Holdings.

E is going to indirectly buy 80% of Holdings and A-D will each drop to 5% each. E has filed an HSR for this purchase.

For tax and Bermuda law reasons, rather than E purchasing 80% of Holdings, two new entities are being created on top of Holdings.



The only asset of Parent will be 100% of Buyer. The only asset of Buyer will be 100% of Holdings.

Technically, A, B, C, and D will exchange their Holdings shares for cash plus shares in Parent. I know there is an interpretation that the creation of a new holding company above an existing holding company that is done on a pro rata basis is exempt. This is not being done on a pro rata basis, but E is filing HSR for its acquisition. Can A, B, C & D take advantage of (c)(10) because their voting interest is being reduced from 25% each to 5% each, even though Parent is technically a different "issuer" than Holdings?

If you need any other facts, please let me know.

Thank you,

Yes - A-D can use the (c)(10) exemption as long as Parent and Buyer are shells.

BM
2/17/07