



802.2(d)  
802.4  
802.5



September 18, 2007

Michael J. Verne, Esq.  
Federal Trade Commission  
Room H-314  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

Dear Mr. Verne:

I am writing to confirm our telephone conversation of September 12 involving you, me, and my partners 

As we discussed, we represent a client that invests in and manages affordable housing projects expected to generate federal low-income housing credits. These properties are typically held by limited partnerships or limited liability companies that have a general partner or managing member and limited partners or investor members. These limited partnerships or limited liability companies are often, in turn, held by other limited partnerships or limited liability companies which are syndicated into funds. Our client invests in and manages these various partnerships and LLCs.

Our client is now interested in disposing of its interests in and related to certain of these partnerships and LLCs. Specifically, through a number of similarly structured transactions, our client contemplates selling the following types of partnership, LLC and related assets to various purchasers: (i) general partners or general partnership interests in syndicated partnerships or LLCs, (ii) partner or member interests in lower tier limited partnerships or limited liability companies, (iii) rights under agreements providing asset management services to the partnerships and LLCs, (iv) rights under other agreements related to management of or investment in the partnerships and LLCs (e.g., loans, accounts receivables, etc.), and (v) files and records.

While these transactions would initially appear to satisfy the Hart-Scott-Rodino premerger notification jurisdictional, size of persons, and size of transaction tests, we have concluded that the transactions are exempt from the HSR reporting requirements pursuant to 16 C.F.R. § 802.2(d)(1) ("An acquisition of office or residential property shall be exempt from the requirements of the act."), 16 C.F.R § 802.5(a) ("Acquisitions of investment rental properties shall be exempt from the requirements of the act."), and 16 C.F.R. § 802.4 (exempting, in certain circumstances, an acquisition of non-corporate interests in an unincorporated entity whose assets consist of assets whose acquisition is exempt from the requirements of the act). This conclusion covers both the partnership or



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member interests in the funds and the limited partnerships and limited liability companies and the other rights under management services and other agreements and files and records, which are ancillary to the management of the funds or the underlying housing projects. See Informal Staff Opinion 0305012, dated May 29, 2003. If you think that this conclusion is incorrect, we would appreciate notice to that effect from you or your staff. We also very much appreciate your taking the time to discuss this issue with us.

Sincerely,



AGREE -  
*[Handwritten Signature]*  
9/18/07