

802.10

Verne, B. Michael

From: [REDACTED]
Sent: Wednesday, March 26, 2008 8:12 PM
To: Verne, B. Michael
Subject: Request for Confirmation

Mr. Verne

This purposes of this email is to confirm our telephone discussion on March 25 regarding the transactions to be entered into in connection with the proposed initial public offering (the "IPO") of shares of common stock of our client, IPO Corporation ("IPO Corp.").

Current Structure

IPO Corp. is a wholly-owned subsidiary of XYZ, LLC ("LLC"). The three members of LLC are (i) member A, (ii) member B, and (iii) member C (collectively, the "Members"), who hold memberships interests with sharing ratios of 40%, 40% and 20%, respectively. Because none of the Members is entitled to 50% or more of the profits of LLC upon a distribution, or 50% or more of the assets of LLC upon dissolution, LLC is not "controlled" (as such term is defined in the HSR Regs) by any other individual or entity and is its own ultimate parent entity ("UPE").

Formation and Capitalization of IPO Corp.

IPO Corp. was incorporated in 2007. Immediately prior to the completion of the IPO, LLC will contribute all of its assets to IPO Corp. in exchange for:

- cash;
- shares of common stock of IPO Corp.; and
- the assumption by IPO Corp. of all liabilities and obligations of LLC.

It is our understanding that LLC's contribution of all of its assets to IPO Corp. in exchange for the items specified above will be exempt from the filing requirements of the HSR Act pursuant to HSR Rule 802.30.

Liquidation of LLC

Following the completion of the IPO (~~which will be exempt under 802.60~~), LLC will liquidate and distribute its remaining assets (which will consist of cash and voting securities of IPO Corp.) to the Members. The cash distributed by LLC upon liquidation will not be subject to a filing requirement under the HSR Act, as cash is not considered an asset of the person from whom it is acquired pursuant to 801.21.

Although the Members will receive voting securities with a value in excess of the \$63.1 million threshold, it is our understanding that the distribution of the voting securities of IPO Corp. will also be exempt from the filing requirements of the HSR Act under 802.10 provided that the voting securities are distributed to the Members on a pro rata basis (which they will be). In particular, I note that we discussed Informal Staff Opinion 0507005 which had a fact pattern similar to the one described above, except in that transaction the limited liability company was liquidated immediately prior to the initial public offering, whereas in our transaction the liquidation of LLC will occur immediately after the IPO.

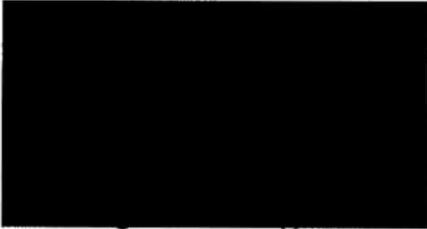
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During our conversation, I understood you to confirm that 802.10 would still be applicable if the liquidation occurred after the completion of the IPO.

When you have a moment, could you please confirm the accuracy of my understanding of our conversation and the analysis above?

Best regards,



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AGREE

3/27/08