

Boi.~

Verne, B. Michael

From: [REDACTED]
Sent: Tuesday, July 21, 2009 4:17 PM
To: Verne, B. Michael
Subject: FW: JV Question
Attachments: NY_3939213_4AB Merger Structure (4).PPT

Hello Mike,

[REDACTED] from [REDACTED] called me earlier to let me know that the PNO has determined that the transaction described in the chart that [REDACTED] sent you would be seen as a straightforward acquisition.

I am writing because I would like to confirm:

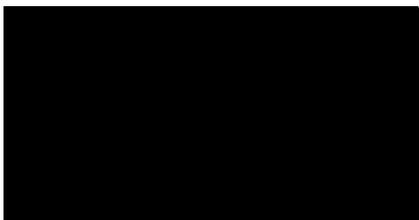
(1) that (please refer to slides 3 and 4 for this) the step that results in Company A no longer being its own parent for purposes of the Act to having a parent (an interest holder of A c(7) QP Super Holding LLC), is not reportable owing to the continuum theory;

(2) that the PNO views the acquisition as one in which the UPE of Company B would file as an acquiring person and Company A would file as the acquired person. (Or now that Company A is expected to have a UPE other than itself as a result of one of the preliminary steps of this transaction, would the new UPE of Company B file as the acquired person?)

(3) I would like to determine whether certain shareholders of Companies A and B would have to file depending on the value of the new company's voting securities issued to them, assuming no exemption is available (and, in the PNO's view, neither the (c)(10) exemption under the Act or the 802.10 exemption would be available)?

Would it be possible to discuss these matters with [REDACTED] on the phone as well? Would you have any time tomorrow or Thursday?

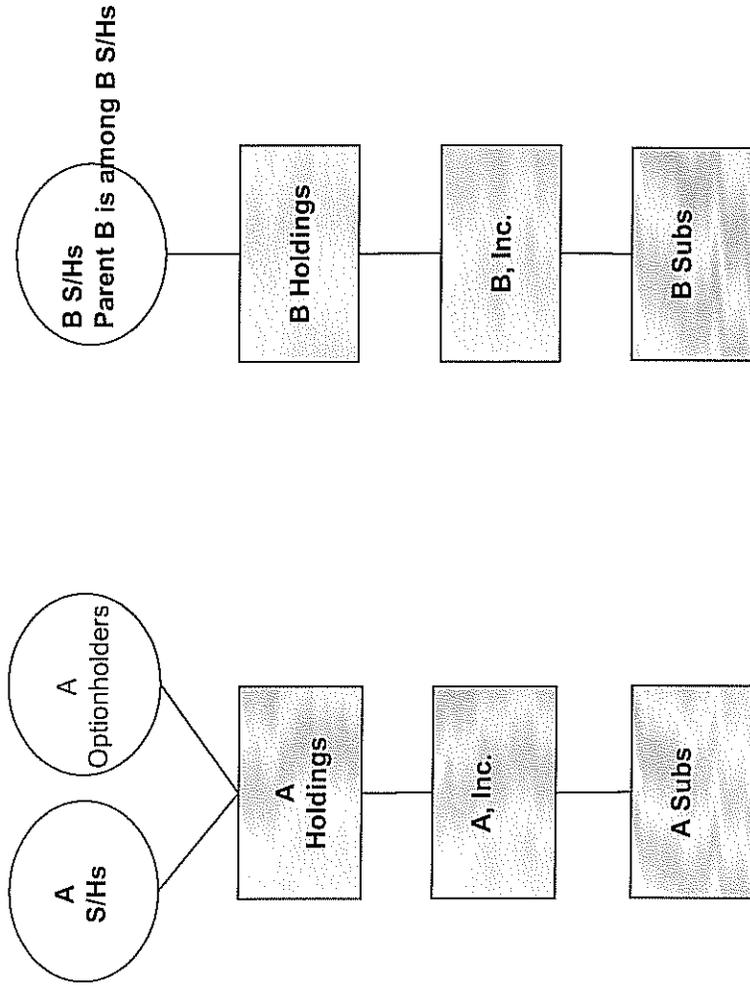
Thanks and regards, [REDACTED]



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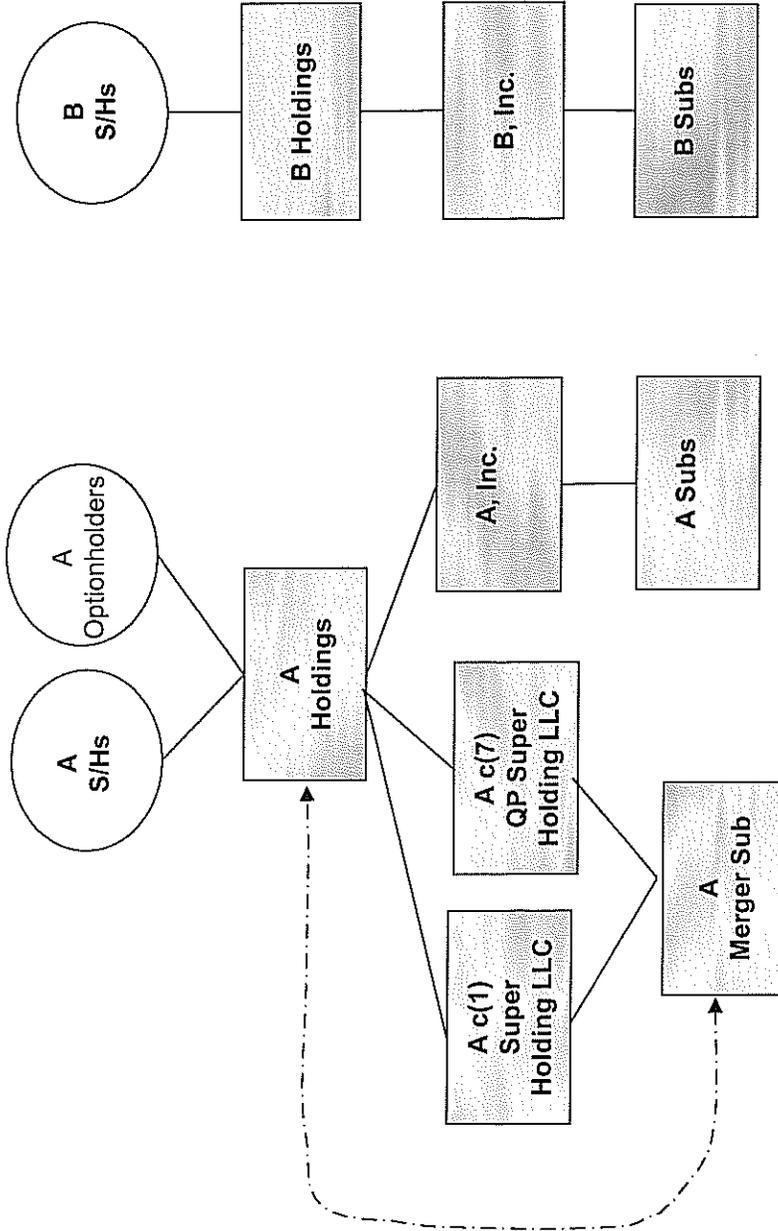
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Current Structure

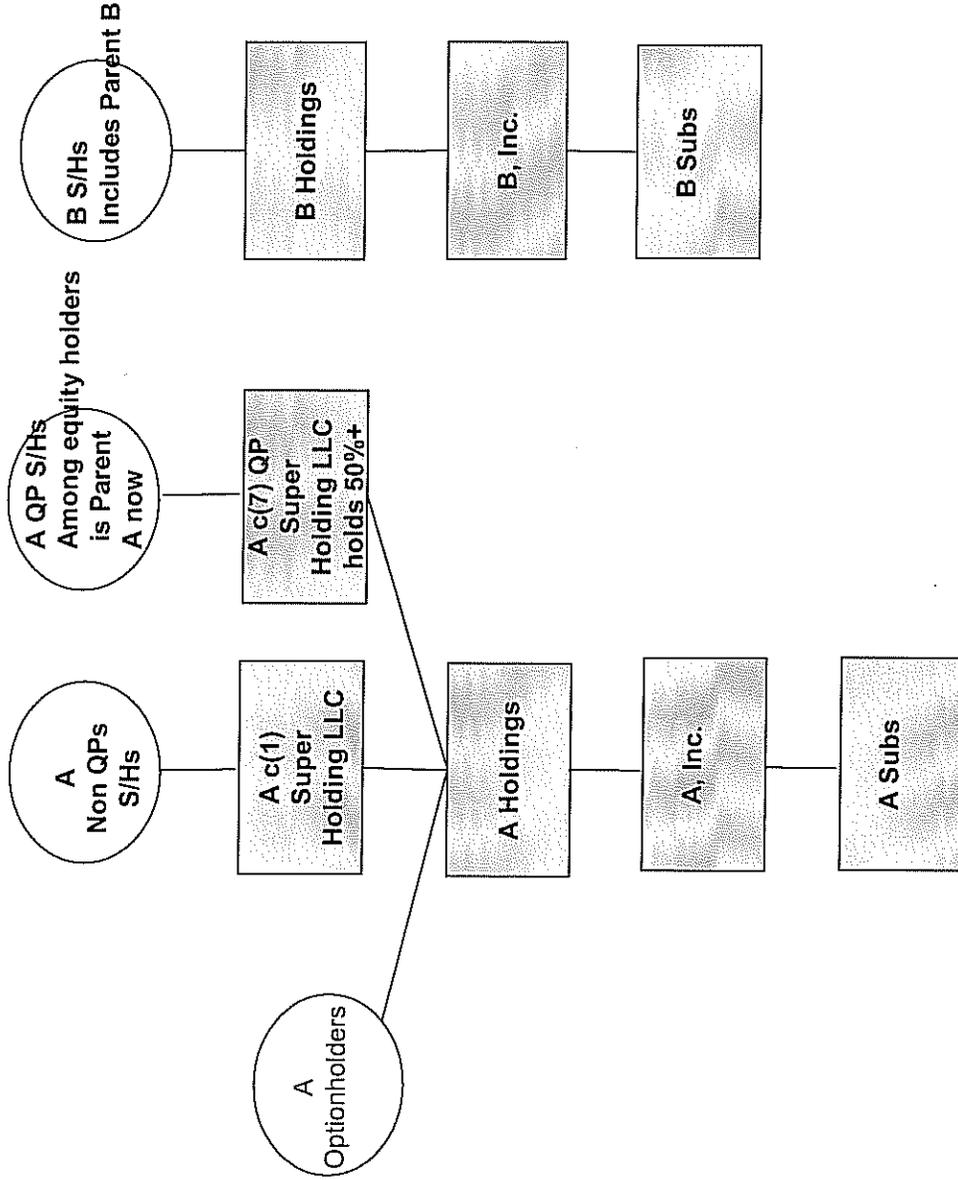


HOLDCO A REORGANIZATION

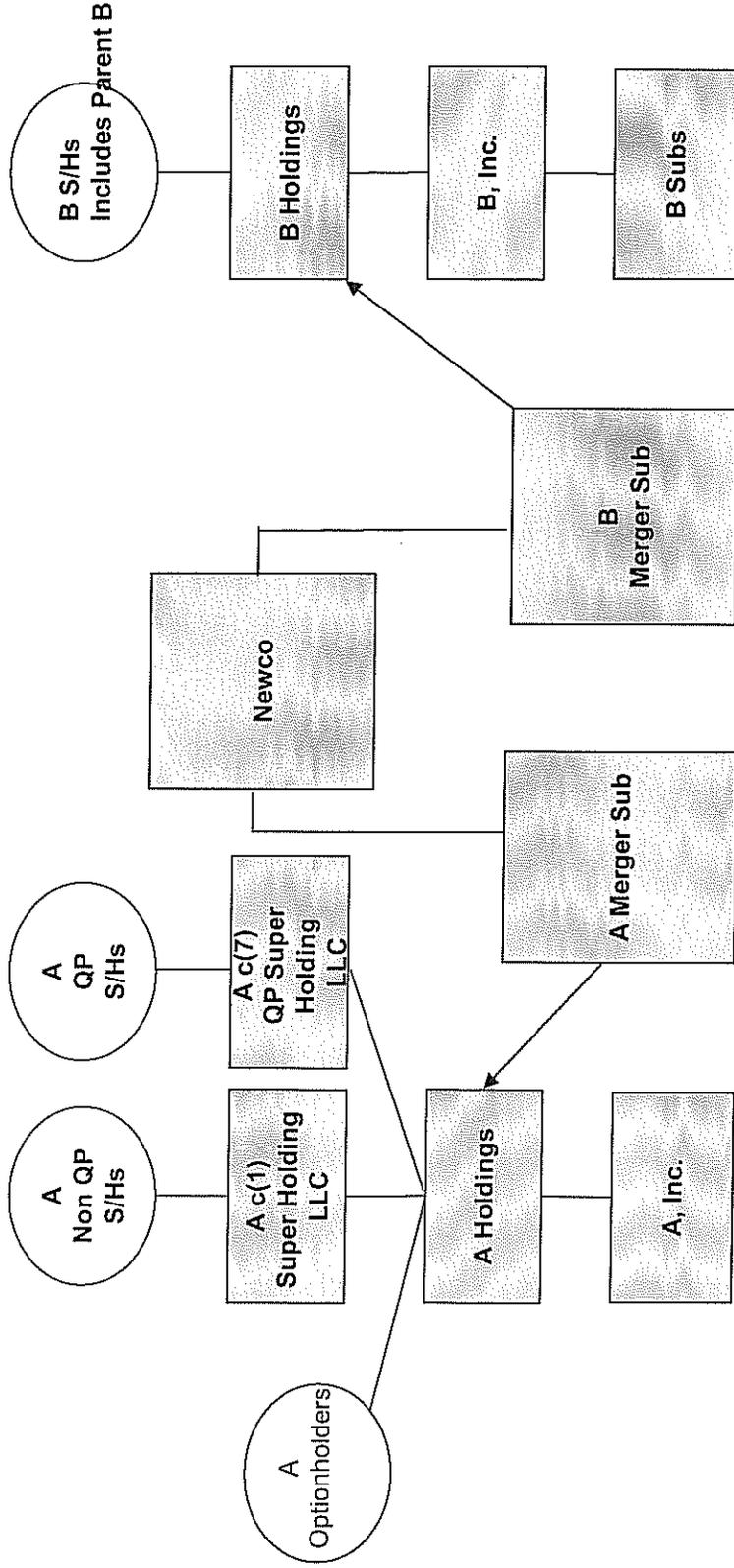
- Steps:
1. A Merger Sub merges into A Holdings
 2. A SHs that are "qualified purchasers" and "accredited investors" will receive membership interests in A c(7) QP Super Holding LLC.
 3. A SHs that are "accredited investors" but not "qualified purchasers" will receive membership interests in A c(1) Super Holding LLC.
 4. A SHs that are not "accredited investors" will be cashed out.
 5. Option Holders will remain at A Holdings
 6. To the extent there are more than 100 "accredited investors" that are not "qualified purchasers" the smallest of such holders (other than certain related persons) would immediately be distributed shares of Newco in the reverse double dummy merger (rather than receiving membership interests).
 7. The A c(1) Super Holding LLC agreement and the A c(7) QP Super Holding LLC agreement will have the same terms.



STRUCTURE FOLLOWING A REORGANIZATION



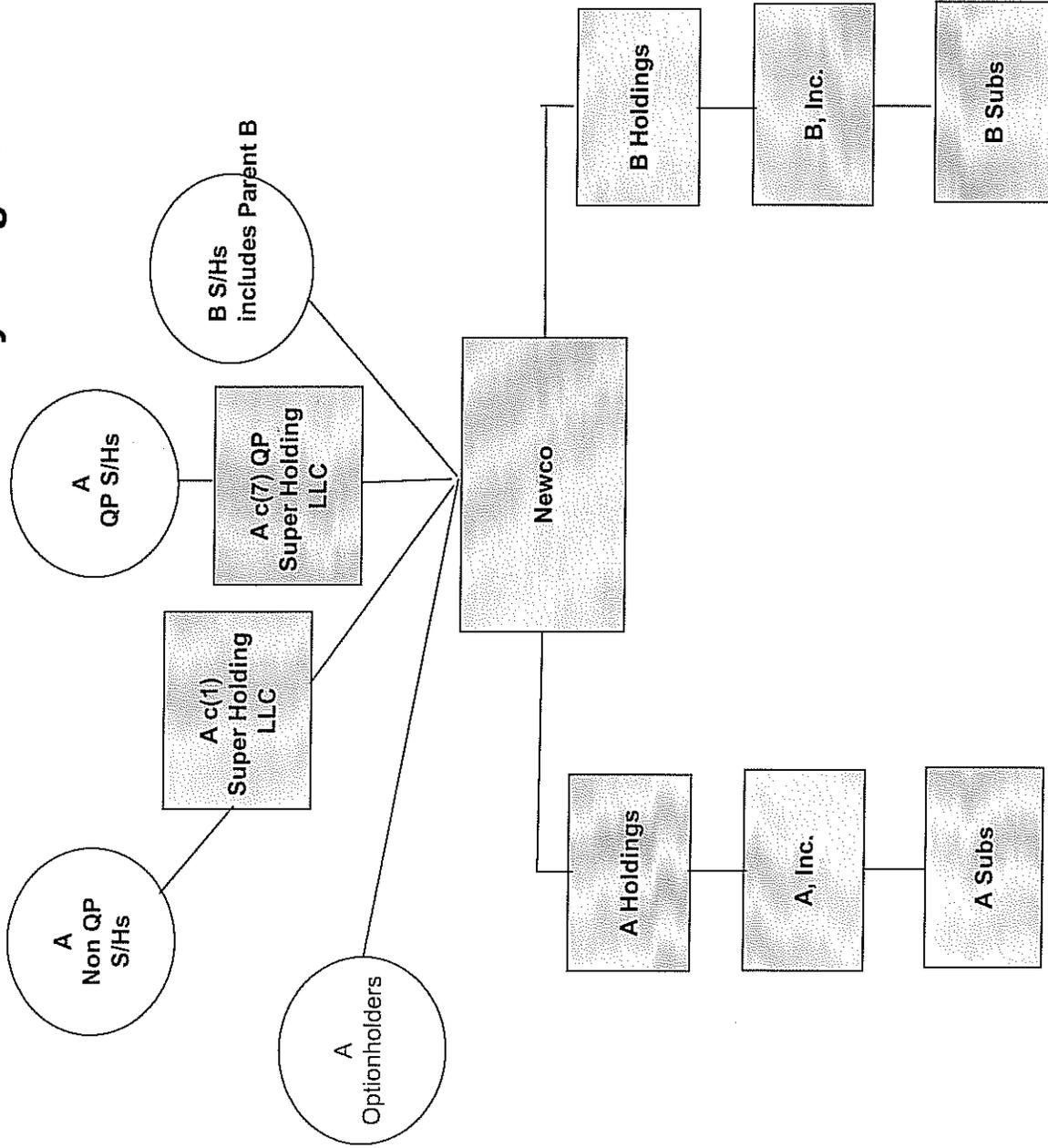
Reverse Double Dummy Mergers



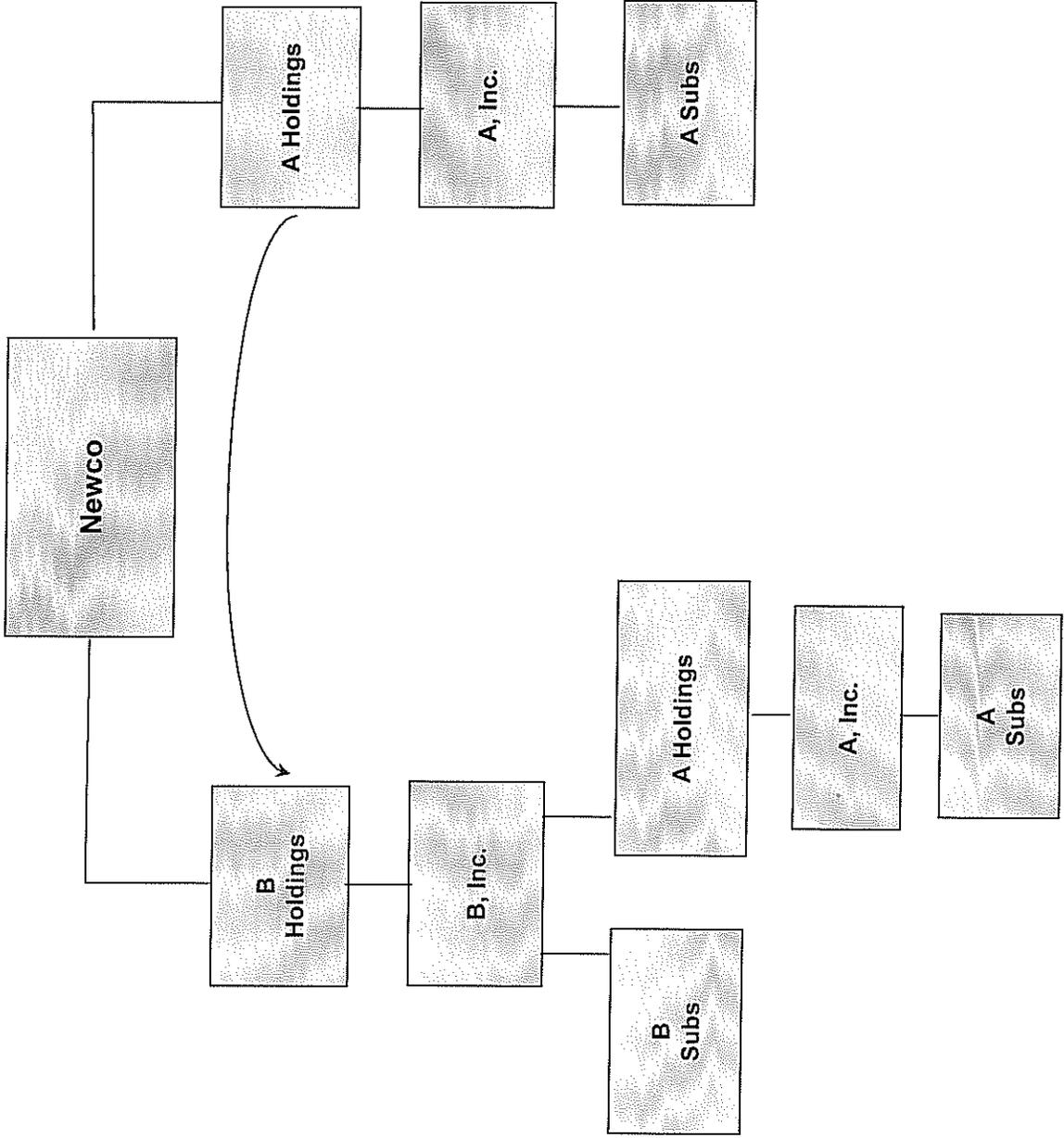
Steps:

1. A Merger Sub merges into A Holdings and shares of Newco are issued to A c(1) Super Holding LLC and A c(7) QP Super Holding LLC
2. B Merger Sub merges into B Holdings and shares of Newco are issued to B S/HS

Structure Following Reverse Double Dummy Mergers

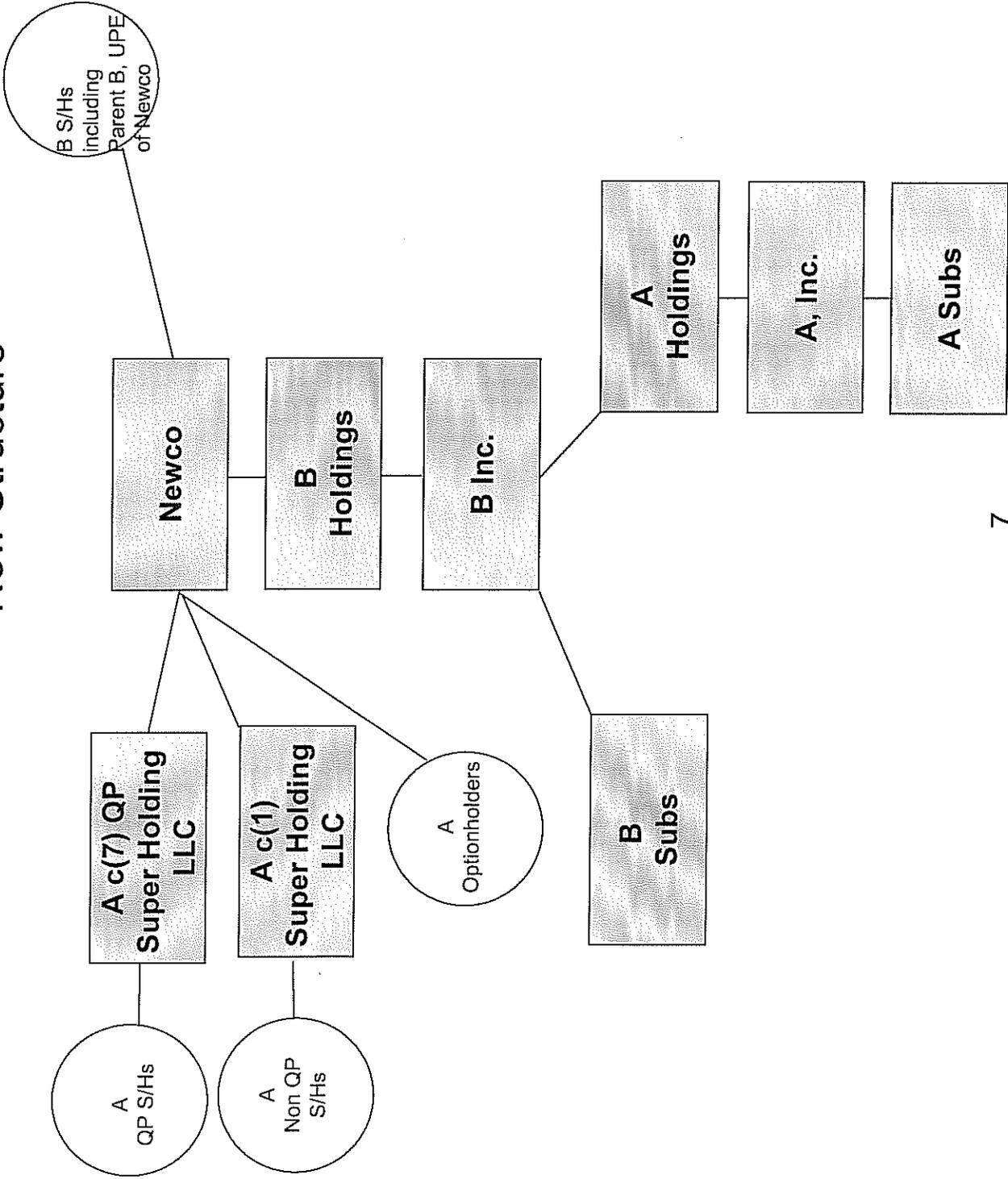


Contribution of A Holdings to B Holdings



Newco contributes all of the stock of A Holdings to B Holdings. B Holdings contributes all of the stock of A Holdings to B, Inc. **6** B Holdings contributes all of the stock of A Holdings to B, Inc. **PR**

New Structure



1. Agree this is not reportable under the continuum theory.
2. I think you meant the new UPE of Company A would file as the acquired person. That is correct.
3. Yes – any acquisition of Newco voting securities by shareholders of A and B would have a potential filing obligation. (c)(10) and 802.10 would not exempt these, but 802.9 might.

BN
7/22/08