

801.1(d)(2)

Verne, B. Michael

From: [REDACTED]
Sent: Tuesday, February 28, 2012 10:52 AM
To: Verne, B. Michael
Cc: [REDACTED]
Subject: Question on Associate Analysis
Attachments: Graph.pdf

Hi, Mike –

[REDACTED] and I have another question regarding the associate analysis. The attached chart is a sanitized version of the structure for Fund I in connection with a current acquisition for one of our private equity clients. We have highlighted in yellow the entities that are most important to the analysis.

The acquiring person in this transaction is Fund III (not shown on the chart). We have analyzed the associates for Fund III and determined that among Fund III's associates are Fund II, the common ultimate general partner of both Fund III and Fund II ("Fund II/III Ultimate GP"), and Y, an individual who holds 100% of the outstanding voting securities of the Fund II/III Ultimate GP.

As you can see from the attached chart, Y similarly holds 100% of the membership interests of LLC/Y. LLC/Y is the general partner of LP1, which is the general partner of Fund I. Thus, LLC/Y, LP1 and Fund I are all associates of Fund III.

Fund I is controlled by LLC/X, which holds in excess of 50% of the partnership interests in Fund I. LLC/X is controlled by X, which holds in excess of 50% of the membership interests in LLC/X. X is its own UPE. (X also holds 40% of the partnership interests in LP1, but that should not affect the associate analysis.) Please note that the investment decisions for Fund I are made by the investment committee of LP1 -- not by X or any of X's controlled entities.

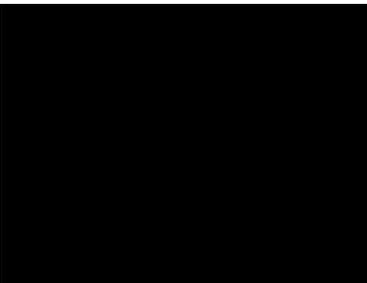
- (1) Is X considered to be an associate of Fund III by virtue of its indirect control of Fund I? *YES*
- (2) If so, will we need to perform the analysis of what other entities X directly or indirectly manages or controls?

Please note that X is an entity independent of Funds II and Funds III and over which Y and Funds II and III have no control, so it may be difficult to get the information on X's controlled and minority investments for purposes of determining a NAICs code overlap with the target. *YES*

- (3) If we need to report controlled and minority investments of X, may we do so on information and belief? *YES*

As always, many thanks for your assistance.

Best regards,



B. Michael
2/28/12
K. WALSH CONCURS

