

801.1(b)

Verne, B. Michael

From: [REDACTED]
Sent: Friday, May 11, 2012 12:59 PM
To: Verne, B. Michael
Subject: Another LP question

Hi Mike,

This is another LP question. This is a Delaware LP that has issued various series of units. Basically every time the LP wants to raise money for a new investment it issue a new series of units. Now they have Series A units, Series B units and are in the process of issuing Series C units. With the exception of a few shared assets, the units track a specific investment. For example, the returns (profits and assets) of the Series A units would track the Series A investment, etc. All the units would receive a portion of the return from the shared assets but otherwise the returns would be limited to the specific investment.

To determine whether the LP is its own ultimate parent entity I assume the test would be applied to the LP in the aggregate and not by Series. To be clear, the test is whether any one LP investor had the right 50% or more of the profits or 50% or more of the assets upon dissolution of the LP in the aggregate.

As always many thanks,

[REDACTED]

[REDACTED]

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[REDACTED]

This sounds like series LLCs which we have dealt with recently. You are right, the different series of units are not separate legal entities, so you would look at whether anyone has the right to 50% in aggregate.

Bm
5/11/12