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Verne, B. Michael

From: [REDACTED]
Sent: Thursday, December 19, 2013 12:44 PM
To: Verne, B. Michael; Walsh, Kathryn
Subject: SOP/Rollover Shareholders/UPE Question

Hi Mike and Kate,

This is probably a very easy question for you but I want to confirm the thinking.

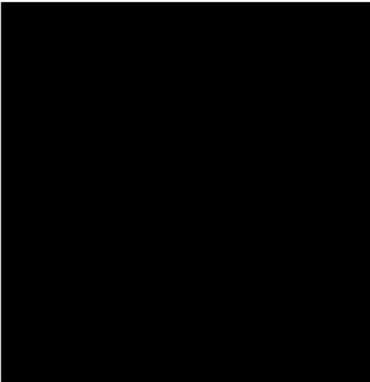
In this transaction:

1. Fund A, B and C will form Holdco, LLC to acquire target.
2. Initially Fund A will have the right to 50% of the profits and assets.
3. At closing certain target investors will exchange their interest in target for membership interest in Holdco, LLC. After that exchange no investor will have the right to 50% or more of the profits or assets of Holdco.
4. The acquisition price is less than \$263.8 million.

Questions

1. For the size of person test is Holdco its own UPE?
2. Would it make a difference if Holdco were a corporation?

As always many thanks!



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We look at the primary acquisition (of Target) as preceding the backside acquisitions (members of Target acquiring interests in Holdco LLC). So Fund A still controls at the time the Target interests are acquired.

BMW

12/19/13

KW CONCERN