

Sheinberg, Samuel I.

From: [REDACTED]
Sent: Thursday, November 12, 2020 10:12 AM
To: Walsh, Kathryn E.; Berg, Karen E.; Carson, Timothy; Sheinberg, Samuel I.; Six, Anne; Musick, Vesselina
Subject: FW: Special purpose balance sheet

From: Whitehead, Nora
Sent: Thursday, November 12, 2020 10:12:26 AM (UTC-05:00) Eastern Time (US & Canada)
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Special purpose balance sheet

Agree.

[REDACTED]

From: [REDACTED]
Sent: Wednesday, November 11, 2020 8:53:43 AM (UTC-05:00) Eastern Time (US & Canada)
To: [REDACTED]
Subject: Special purpose balance sheet

Dear PNO:

I hope this email finds you all well.

Company A is its own UPE, and regularly prepares quarterly financials that are provided to management and the board on a quarterly basis. Company A entered into a loan agreement, and pursuant to the terms of that loan agreement, it must provide monthly financials to the lender. These monthly financials are not provided to management or the board of Company A, and Company A does not use or rely on these financials in any way. They are only prepared as required by the banker.

Based on PNPM #81 and informal interpretations 9402005 and 0002008, we believe that the monthly balance sheets prepared for the lender are “special purpose” balance sheets and not “regularly prepared,” and that we must look to Company A’s quarterly balance sheets as the regularly prepared balance sheets for determining if the Size of Person threshold is met, but would like to confirm that view with you.

Please don’t hesitate to let me know if you need any additional information, or if it would be helpful to discuss.

