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January 2, 2001

BY HAND DELIVERY

Michael B. Verne, Esq.
Premerger Notification Office
Federal Trade Commission
Room H-314
Sixth Street & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

2001 JAN 2 10:07 AM

Re: Hart-Scott-Rodino Requirements with Respect to Formation of Foreign Limited Liability Company

Dear Mike:

Thank you very much for taking the time to discuss with me and [REDACTED] of [REDACTED] the interpretation of the Premerger Notification Office concerning the applicability of the Hart-Scott-Rodino Act ("HSR" or "the Act") to the formation of a certain foreign limited liability company. This letter is to confirm your oral advice that, given the particular set of circumstances described to you in our various telephone conversations, the transaction at issue is not reportable.

In our conversations, we described a proposed transaction pursuant to which A and B, included within separate persons, will form a private limited liability company under Norwegian law. The transaction will take place in two steps. B, a foreign person, will convert an existing, controlled Norwegian public limited liability company (a Norwegian ASA company) into a Norwegian private limited liability company (a Norwegian AS company) (the "LLC").¹ A, a

¹ A Norwegian AS company and a Norwegian ASA company are taxed the same under Norwegian law. A Norwegian AS, however, can elect to be taxed as a partnership under U.S. law pursuant to a tax treaty between the United States and Norway.

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U.S. person, will contribute approximately \$260 million in assets, voting securities, and debt to the LLC in exchange for approximately a 40% interest in the LLC. B will retain approximately a 60% interest in the LLC, valued at approximately \$390 million (contributions of approximately \$620 million in voting stock minus approximately \$230 million in liabilities). A and B are included within persons that each meet the \$100 million size-of-person test. The conversion to a private limited liability company and A's contribution will be part of the same transaction. A and B have structured the new entity as a Norwegian AS in order to benefit from certain tax advantages associated with a private limited liability company.

The LLC will be managed by a board of directors that will be composed of only officers, directors, or employees of A or B, their respective controlled entities, or employees of the LLC. A will have the right to appoint two (2), or possibly three (3), members to the board of directors. B will have the right to appoint four (4) members to the board of directors. Two (2) of the individuals whom B intends to appoint to the board of the LLC currently are outside directors of the controlled Norwegian ASA that will be converted into the LLC. Pursuant to Norwegian law, the employees of the LLC will have the right to elect three (3) members (or alternatively, two (2) members plus two (2) non-voting observers), or possibly four (4) members (or alternatively, three (3) members plus two (2) non-voting observers), to the board of directors.

Based on discussions of the facts set forth above, you advised that the formation of the LLC is treated as a non-reportable formation of a partnership and, therefore, is exempt from the HSR reporting requirements. You explained that the LLC described above is similar to a partnership in that the contributing companies will retain control over the LLC and all voting directors of the LLC either are officers, directors, or employees of the contributing companies or their respective controlled entities, or employees of the LLC. You explained that the outside directors of B's controlled Norwegian ASA will be considered inside directors of the LLC. You also advised that the conversion and A's subsequent contribution to the LLC will be considered the formation of the LLC for HSR purposes.

If this letter does not summarize accurately our conversations, I ask that you contact me promptly. Thank you for your guidance and assistance in connection with this matter.

Very truly yours,

[REDACTED]

cc [REDACTED] AGREE WITH THIS ANALYSIS. THE CURRENT POSITION OF THE PNO IS THAT FORMAL INTERPRETATION IS ONLY APPLICABLE TO U.S. LLCs. FOREIGN LLCs ARE TREATED AS EITHER PARTNERSHIPS OR CORPORATIONS. THE TREATMENT OF THIS ENTITY AS A PARTNERSHIP IS APPROPRIATE. R. SMITH WAS CONSULTED & AGREES.
[REDACTED] B Michael Verne 1/3/02