

[REDACTED]

BY FACSIMILE

B. Michael Verne
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
Washington, D.C. 20580

Re: *Proposed Acquisition of Limited Liability Company Interests*

Dear Mike:

I am writing to confirm our telephone conversation of yesterday regarding a proposed transaction which I described to you.

In this transaction, "LLC" is a limited liability company, in which "A" and "B" each hold a 50% membership basis. A and B are not within the same ultimate parent entity. "Buyer" operates in the same industry as LLC. In the proposed transaction, Buyer will acquire the membership interests of A and B for a total purchase price of \$28 million dollars plus payment of a maximum of approximately \$3.0 million based on contingent receipt of various payments by LLC, subject to certain other minor adjustments. This purchase price would be split between A and B. LLC has various liabilities amounting to approximately \$50 million. It is not anticipated that Buyer will assume those liabilities, but it is possible that those liabilities may be refinanced at or before the closing. If there is a refinancing, Buyer may either guarantee the refinancing or become a co-obligee with LLC.

Based on this description, you advised that LLC's liabilities would not constitute consideration for purposes of valuing the transaction. You also indicated that the Staff would regard the acquisition price as undetermined, thus requiring that Buyer's board of directors, or its delegate, determine the fair market value of the membership interests of A and B for purposes of the size-of-the-transaction test.

Would you kindly contact me as soon as possible if I have not accurately summarized our conversation. I will be out of the office next week, but in my absence, please contact my partner,

[REDACTED]

Thank you very much.

Sincerely,

[REDACTED]

AGREE.
B. Michael Verne
5/31/02

[REDACTED]