

801.1(c)

Verne, B. Michael

From: [Redacted]  
Sent: Thursday, November 03, 2005 12:53 PM  
To: Verne, B. Michael  
Subject: Beneficial Ownership Question

Mike,

I am writing to ask your opinion as to who holds the shares of the Portfolio Companies in the following situation:

A group of institutional investors has formed a "Fund" to make investments in Portfolio Companies. The Fund is not a legal entity; rather the investors are parties to an agreement that outlines when/how investments are made. Generally, a financial advisor makes recommendations about companies in which the investor group might consider making investments. For each potential transaction, the investors individually decide whether to invest or not. If an investment is made, shares of the Portfolio Company are acquired and registered in the name of the Management Company or a nominee. The Management Company manages the investment for the investor group, including voting the shares of Portfolio Companies. The investors own the beneficial interests in the shares of Portfolio Companies in proportion to the amount of their investment in the Fund.

Under these facts, can you confirm that, for HSR purposes, the individual investors, rather than the Fund (which is not an entity) or the Management Company "hold", (i.e., have beneficial ownership of) the shares of the Portfolio Companies? If you need additional details to make your determination, please let me know.

Best regards,

INDIVIDUAL INVESTORS HOLD  
THE SHARES.  
B. Michael  
11/3/05

[Redacted]

[Redacted]

[Redacted]

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