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Verne, B. Michael

From: [REDACTED]
Sent: Monday, February 13, 2006 12:20 PM
To: Verne, B. Michael
Subject: REIT Question

Hi Mike.

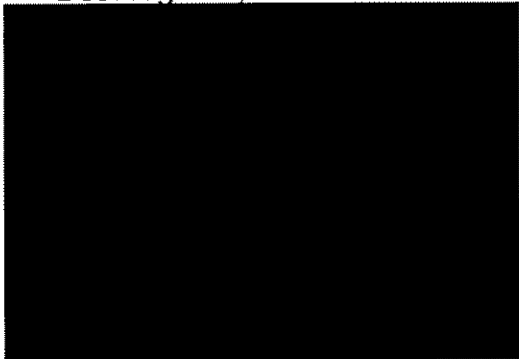
I hope you are doing well.

A party is intending to acquire voting securities of a REIT. The REIT holds only loans -- some of which it originated and some of which it purchased. It also creates entities to hold loans it purchase and sells the securities of such entities to third parties.

To the extent that the loans held by the REIT are realty backed, I understand that they would be HSR exempt assets. Would loans held by the REIT necessarily not be exempt if they are not realty backed?

I appreciate your help.

Best regards,



NO - IF THE LOANS ARE SECURED BY SOMETHING OTHER THAN REAL PROPERTY THEY WOULD NOT BE EXEMPT.

B. Michael
2/13/06

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