



April 7, 2006

VIA EMAIL

James Ferkingstad, Esq.  
Pre-Merger Notification Office  
Federal Trade Commission  
600 Pennsylvania Ave., N.W.  
Washington, D.C. 20580

Re: Hart-Scott-Rodino Filing Obligations

Dear Mr. Ferkingstad:

I am writing to confirm my understanding based on conversations with you on March 30, 2006 regarding the treatment of an incentive allocation paid to the general partner of a hedge fund for the purposes of determining control under Section 801.1(b)(1)(ii) (the "Rule").

The facts are as follows:

A hedge fund is structured as a Limited Partnership (the "LP"). Entity ABC is the UPE of an entity (the "Limited Partner") that is a limited partner in the LP and as such is entitled to a certain percentage of the profits of the LP (such percentage of profits, "X"). Another entity of which ABC is also the UPE is the general partner of the LP (the "GP"). Pursuant to the LP Agreement, the GP is entitled to an incentive allocation for a specific year, which is computed and paid to the GP only on the last day of the year (the "Incentive Allocation"). The Incentive Allocation provided for under the LP Agreement is a specified percentage of each limited partner's share of the profits (such percentage of profits, "Y"), if any, of the LP.

It is my understanding based on our conversation that the percentage X and Y of the profits are not aggregated to determine whether ABC controls LP under the Rule, but the X percentage is required to be considered in making that determination under the Rule.

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Separately, Y percentage of the profits are not aggregated with X percentage of the profits, when the calculation of the percentage of the profits is made at any time during a calendar year, other than at the time when the GP becomes entitled to the Incentive Allocation pursuant the LP Agreement, because "having the right to 50 percent or more of the profits" under the Rule means having such right at the time the relevant calculation is being made under the Rule.

Please let me know if my understanding is not correct. Thank you.

Sincerely yours,



4/7/06

Agree

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