

801.2 (f)

Verne, B. Michael

From: [REDACTED]
Sent: Wednesday, September 20, 2006 2:19 PM
To: Verne, B. Michael
Subject: HSR question

A, B and C are partners in a partnership and hold 25%, 25% and 50% interests respectively.

The partnership will distribute certain assets to C, whose interest in the partnership will be reduced from 50% to 20%. The interests of A and B will therefore increase to 40% each.

Has the partnership made a potentially reportable acquisition of its own remaining assets?

I would say no, the partnership has not made any acquisition, much less a potentially reportable acquisition, even though as a result of the distribution, control of the partnership has shifted from C back to the partnership itself.

What is your thought?

Is the answer the same if the distribution to C buys out C's entire interest, and A and B therefore each increase to 50%?

Again, I would say that neither A nor B has made an acquisition, although each now controls the partnership.

Thanks.



AGREE WITH BOTH
B. Michael
9/20/06

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