

Verne, B. Michael

801.1(b)

From: [REDACTED]  
Sent: Friday, December 22, 2006 10:29 AM  
To: Verne, B. Michael  
Subject: determination of UPE

Dear Mike,

Hello and happy holidays. I hope you're enjoying the season so far.

I am looking at an unusual corporate structure and trying to determine the UPE.

The entity in question is a Trust formed under Australia law, which I am told is akin to a trust under US law. The Trust has only one Trustee. This Trustee is a company. The investors in the Trust, no one of which has a 50% or greater economic interest in the Trust, have the right to appoint the Board of Directors of the Trustee company. This Board will advise the day to day operations of the Trust, including making decisions about the companies in which the Trust invests. I don't believe any person or entity has the right to replace this company as Trustee.

Given that the Board of the Trustee will "run" the Trust, it seems to me that control of the Trust should be determined by whether any person has the right to appoint 50% or more of the Board. In this case, no one person or entity has that right, and thus I believe the Trust should be its own UPE.

I would appreciate it if you would let me know if you agree.

Thank you,

[REDACTED]

[REDACTED]

AGREE  
Verne  
12/22

\*\*\*\*\*

This message and any attachment are confidential and may be privileged or otherwise protected from disclosure. If you are not the intended recipient, please telephone or email the sender and delete this message and any attachment from your system. If you are not the intended recipient you must not copy this message or attachment or disclose the contents to any other person.

For further information about [REDACTED] please see our website at [REDACTED] or refer to any [REDACTED] office.