

801.2
801.10(d)

Verne, B. Michael

From: [REDACTED]
Sent: Thursday, March 06, 2008 10:00 AM
To: Verne, B. Michael
Subject: LLP Merger Question

Mike,

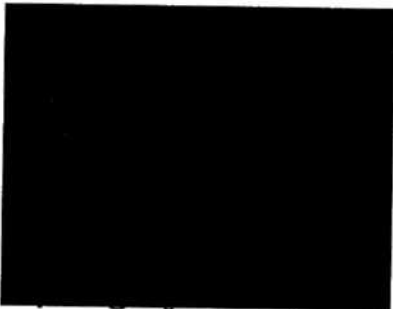
My client, Company A, is an LLP and a professional services firm that is proposing to merge with Company B, another professional services firm and also an LLP.

Company A and Company B propose to combine their businesses via a tax-free merger, with Company A being the surviving entity. Company A's partnership agreement will govern the business going forward and the business will retain the Company A name. The consideration being paid to Company B's partners consists of partnership interests in surviving Company A and a \$2.3 million credit for certain assets and receivables.

Based on my reading of 801.2, Company A would be treated as the acquiring entity and Company B as the acquired entity in this situation. Furthermore, since the acquisition price has not been determined, the value of Company B's LLP interests would be the fair market value of all of Company B's LLP interests under 801.10(d).

Please let me know if you agree with this analysis.

Thanks,



AGREE -
BM
3/6/08

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