

April 28, 2008

VIA EMAIL (mverne@ftc.gov) AND U.S. MAIL

B. Michael Verne, Esq.
Federal Trade Commission
Premerger Notification Office
Bureau of Competition, Room 303
6th Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20508

Re: Exemption under 16 C.F.R. 802.1

Dear Mr. Verne:

I write to confirm the telephone conversation that I, and my associate [REDACTED] had with you on April 22, 2008, regarding the following proposed transaction:

- Company A is the sponsor of various investment funds (the "Funds") whose ordinary business is to buy, sell and lease equipment for investment purposes. Such equipment is typically held in special purpose limited liability companies, which are directly or indirectly controlled by Company A.
- One of these special purpose limited liability companies (the "Acquired Person"), which is controlled by Company A, owns an oil drilling jack-up rig vessel (the "Vessel"), which was previously purchased by the Acquired Person for leasing and resale. The Vessel moves from location to location and has a useful life greater than one year.
- The Acquired Person currently leases, via a charter, the Vessel to Company B under a net lease. Company B is in the business of oil drilling and has used the Vessel under the lease for over twenty years. The Acquired Person does not operate, maintain or otherwise manage the Vessel. Neither the Acquired Person, Company A nor any of their affiliates share common ownership interests with Company B.
- The Acquired Person intends to sell the Vessel to Company B.
- For purposes of this analysis, we have assumed that the "Size of the Parties" and "Size of the Transaction" tests are satisfied.

We discussed whether the Premerger Notification Office ("PNO") would consider this transaction to be an acquisition of goods in the ordinary course of business pursuant to

[REDACTED]

B. Michael Verne, Esq.
Federal Trade Commission
Page 2

Section 7A(c)(1) of the Clayton Act and 16 C.F.R. 802.1 and therefore exempt from the HSR premerger notification requirements. Specifically, the parties to the transaction believe that this transaction is an acquisition of a used durable good from an acquired person who acquired and has held the good solely for resale or leasing to an entity not within the acquired person pursuant to 16 C.F.R. 802.1(d). In addition, we discussed whether the Vessel would be considered an "operating unit" under 16 C.F.R. 802.1(a). We informed you that Company A's ordinary business includes placing equipment acquired by the Funds and held for investment, such as the Vessel, into separate, special purpose limited liability companies. You informed us that under these facts, the PNO takes the position that the placement of the Vessel within a special purpose limited liability company does not make the Vessel an "operating unit" and the transaction would qualify under the exemption set forth in 16 C.F.R. 802.1(d).

Please confirm that you agree with the analysis described above. Thank you for your time and assistance. If you have any additional questions or comments, do not hesitate to contact me.

Sincerely,

[REDACTED]

Agree -
BM
4/29/08

[REDACTED]