Verne, B. Michael

802.10

From: ████████████████████████████████

Sent: Wednesday, November 19, 2008 2:40 PM

To: Verne, B. Michael

Subject: Section 802.10 Exemption

Hello Mike,

We have a question regarding the application of the Section 802.10(b) exemption (stock dividends and splits; reorganizations) to the transaction described below.

A, B, and C are three affiliated non-corporate entities (collectively, the "LLCs"), each of which is its own UPE. Four individuals (collectively, the "Owners") hold identical non-controlling interests in each of the LLCs. The Owners plan to form a new non-corporate (LLC) holding company ("Holdco") into which each will contribute their LLC interests. In exchange, the Owners will receive the same percentage stakes in Holdco that they previously held in each of the LLCs. None of the Owners will control Holdco and Holdco will become the UPE of each LLC. Holdco will not hold anything other than the membership interests in the three LLCs.

We have initially concluded that the formation of Holdco and the contribution into Holdco of the LLC interests is properly viewed as a reorganization that is exempt from the HSR Act under Section 802.10 (Stock Dividends and Splits; Reorganizations). Although the Holdco will control the LLCs, no new assets are being contributed to Holdco and the owners who previously held interests in the LLCs will receive identical interests in Holdco. The Holdco will function as a flow-through and beneficial ownership of the LLCs will not change.

If, for some reason, this reorganization does not qualify for the Section 802.10 exemption, we believe that Holdco's acquisition of the LLC interests fails to meet the size-of-parties test, as (i) the collective value of A, B, and C is below $252.3 million and (ii) prior to its acquisition of A, B, and C, Holdco, as its own UPE, has neither assets nor revenues in excess of $12.6 million.

Please let us know if you agree with our analysis and conclusions.

Best regards,

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Agree - This is exempt under 802.10

B.M.

11/20/08