

formation of
a partnership
8/31/98

ATTORNEYS AT LAW

MEMORANDUM

September 2, 1998

TO: Patrick Sharpe
CC: [REDACTED]
FROM: [REDACTED]
RE: HSR Advice: Formation of a Partnership

I am writing to confirm to file the advice you gave me yesterday by telephone on a proposed transaction. The facts are as follows:

The Parties intend to form a new partnership X, transferring the interests in an existing partnership Y to it. Although all of the transactions will occur simultaneously, the steps are viewed as follows. X will be formed, new investors will contribute about \$40 million to X and will receive a 40% interest in X. X will purchase from some or all of the existing partners of Y a 40% interest in Y. The remaining 60% interest in Y will be contributed by the remaining partners in Y to X, so that X will own all of the interests in Y (which will remain in existence for financing purposes).

You have confirmed our analysis that this transaction is not reportable. In essence all of these transactions are incident to the formation of the new partnership X.

Please let me know promptly if we have misunderstood or misstated your advice. Thank you for your cooperation.

[REDACTED]
The PMD staff is troubled by this letter.
Related letter sent 9/8/98 satisfies the
staff. (BS)