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From:

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Date: Wed, May 31, 2000 1:56 PM Subject: Passive Investor Exemption Question

Hi Mike.

Partnership P is contemplating an investment in an issuer (the "Target"). P's GP is LEC 1. LLC 1 has 5 managing members — LLC A, LLC B, LLC C, LLC D, and LLC E.

(surprise) Partnership E is entitled to over 50% of the profits or assets of Lt.C E. Each of Partnership A, B, C, D, and E is its own ultimate parent entity. None of Partnership A, B,C, D, or E is the ultimate parent entity of Lt.C.4 or Partnership P.

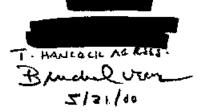
(A) Mr. X is the only managing member of LLC A., Mr. X is one of Partnership A's GPs.

(B) Mr. Y, another GP of Partnership A, sits on the board of the Target. Mr. Y is not a managing member of LLC A, but he is a member of LLC A.

Under the facts described above, could Partnership P utilize the passive investor exemption if it were to acquire and hold 10% or less of the outstanding voting securities of the Target?

One additional question. Same facts as above. In addition, LLC 1

Thanks for your help Mike.



I BELIEVE THAT MRY IS

SUFFICIENTLY INJULATED FROM

PANTHELIHIT P., SUCH THAT PU

ABILITY TO CLAIM THE SOLELY

FOR PURPLE OF INVESTMENT

EXEMPTION IS NOT COMPANYSIED.