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From: [REDACTED]
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 LLC 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 LLC 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 LLC 1 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.

[REDACTED]

[REDACTED]

T. HANEKAL AGREES.

Michael Veme

5/21/00

I BELIEVE THAT MR. Y IS SUFFICIENTLY INSULATED FROM PARTNERSHIP P, SUCH THAT P'S ABILITY TO CLAIM THE SOLELY FOR PURPOSE OF INVESTMENT EXEMPTION IS NOT COMPROMISED.