

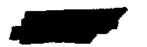
Washington, D.C 20580

Re: Whether Certain Escrowed Funds of a Venture Capital Fund Are Considered Assets of the Fund for HSR Filing Purposes

Dear Mr. Sharper

A group of limited partners are forming a new venture capital fund (the "Fund") reported to which will engage in acquisitions. The Fund is its own parent entity (i.e., no limited partner has the right to receive 50% or more of the profits or of the proceeds upon discourse) and appears these are access or received to provide the proceeds upon

form a joint venture corporation, Newco. Under the agreement, the Fund will 4. contribute in excess of \$200 million to Newco, and will receive a majority interest. Corporation A will contribute the assets of one of its ongoing businesses to



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Newco, and will receive cash (from the proceeds of new debt taken on by Newco and from the Fund's contribution) and a minority interest in the joint venture.

The Fund's contribution to Newco will not be paid directly by the Fund. Instead, contribution to Newco will not be paid directly by the Fund.

beneficial owners of the escrow funds. On notice from the general partner of the flows these Fund, money will be transferred from the escrow account directly to Newco in satisfaction of the Fund's obligation under the joint venture agreement. Any finder of Frances satisfaction of the Fund's obligation under the joint venture agreement. Any funding the funding the standard of the Fund's obligation under the joint venture agreement.

My question was whether the money deposited in the escrow account would be considered assets of the Fund, potentially making the Fund a \$10 million person and triggering a filing requirement under section 801.40(b). My understanding of your response is that it would not. Please let me know as soon as possible if my understanding is not correct.

Thank you again for your attention to this matter.

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a result, you do not have a \$10.0 mm Berson and therefore, Bol. 40 Does not affly. Pg called 3/9/99

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