

**REMINDER: ANNUAL REQUIREMENT TO CONFIRM
STATUS OF INVESTORS UNDER THE NEW ISSUE RULE**

Effective March 23, 2004, the NASD replaced its “Hot Issue” Interpretation with Rule 2790 (the “New Issue” Rule). Rule 2790 precludes broker-dealers from selling New Issue securities (generally equity IPO securities) to accounts the beneficial owners of which are Restricted Persons as defined in the Rule.

Because Rule 2790 looks to the beneficial owners of an account, managers of private investment funds that purchase New Issue securities for their funds are required to ask about the Restricted or Non-Restricted status of investors in their funds. Rule 2790 also requires that the Restricted or Non-Restricted status of those investors be confirmed every year. Therefore, managers that obtained questionnaires as to the Restricted and Non-Restricted status of their investors last year should now confirm their status again. The Rule allows the annual confirmation to be in the form of a negative consent once a written confirmation has been obtained.

Thus, managers wishing to purchase New Issue securities should sometime before the anniversary date of the responses received last year write to each of their investors advising them that, based on their answers from last year, the manager has treated the investor as Restricted or Non-Restricted and asking them to inform the manager in writing of any changes to their status. The manager may also state in the mailing that if it does not receive a reply by a certain date it will assume there has been no change in the investor’s status. We would advise managers to enclose or attach a copy of a current form of New Issue questionnaire so that the investors would be aware of the current categories of Restricted and Non-Restricted Persons, without requiring the investor to complete or return the questionnaire if there has been no change in status.

* * * * *

If you have any questions concerning the foregoing or would like further information, please call Martin R. Miller at (212) 728-8690 or the attorney with whom you regularly work.

Willkie Farr & Gallagher LLP is headquartered at 787 Seventh Avenue, New York, NY 10019-6099. Our telephone number is (212) 728-8000 and our facsimile number is (212) 728-8111. Our website is located at www.willkie.com.

January 21, 2005

Copyright © 2005 by Willkie Farr & Gallagher LLP

All Rights Reserved. This memorandum may not be reproduced or disseminated in any form without the express permission of Willkie Farr & Gallagher LLP. This memorandum is provided for news and information purposes only and does not constitute legal advice or an invitation to an attorney-client relationship. While every effort has been made to ensure the accuracy of the information contained herein, Willkie Farr & Gallagher LLP does not guarantee such accuracy and cannot be held liable for any errors in or any reliance upon this information.