

## **STRATMARK GROUP 401(k) PLAN NOTICE TO INTERESTED PERSONS**

1. You are hereby notified that a written submission has been filed on behalf of the Stratmark Group 401(k) Plan (the Plan) with the United States Department of Labor (the Department) seeking authorization, pursuant to class exemption 96-62 (PTCE 96-62), 61 FR 39988, July 31, 1996, as amended by 67 FR 44622, July 3, 2002, for an exemption from the sanctions resulting from the application of section 406 of the Employee Retirement Income Security Act of 1974 (the Act) and section 4975 of the Internal Revenue Code of 1986, as amended (the Code) to the proposed transaction, as described below.
2. The submission has met the requirements for tentative authorization under PTCE 96-62.
3. If the transaction is authorized by the Department, pursuant to PTCE 96-62, the restrictions of sections 406(a), 406(b)(1) and (b)(2) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) through (E) of the Code, shall not apply to the cash sale, by the Plan to Data Place, Inc. (Data Place), a party in interest with respect to the Plan, of a 3.1818 percent limited partnership interest (the Partnership Interest) in Dallas, Texas Union, Ltd. (the Partnership).
4. The authorization is subject to the following conditions:
  - The terms and conditions of the proposed transaction are at least as favorable to the Plan as those obtainable in an arm's length transaction with an unrelated party.
  - The proposed transaction is a one-time transaction for cash.
  - The Plan receives the greater of adjusted cost or the fair market value of the Partnership Interest, on the date such proposed transaction is consummated, as determined by a qualified, independent appraiser.
  - The independent appraiser updates the appraisal report on the date of the sale and takes into account all factors used in compiling its earlier independent appraisal.
  - A Plan fiduciary reviews and approves the methodology contained in the independent appraisal report and ensures that such methodology is applied by the independent appraiser in determining the fair market value of the Partnership Interest before deciding whether it is prudent to proceed with the proposed transaction.
  - The Plan pays no commissions, costs, or other expenses in connection with the proposed transaction.
5. The Plan is a profit sharing plan with 62 participants as of September 30, 2005. As of September 30, 2005, the Plan had total assets of approximately \$2.4 million. The Plan currently provides for participant-directed investments. The Plan's sole trustee is John E. Walvoord (the

Applicant). Mr. Walvoord is also a Plan participant. As of September 30, 2005, the value of Mr. Walvoord's individual account in the Plan was \$210,536.03.

6. Stratmark, Ltd. (Stratmark Group), a Texas limited partnership, which maintains its principal place of business in Richardson, Texas, is the employer maintaining the Plan. Stratmark Group is a marketing services group that specializes in direct mail fundraising.

Stratmark Interests, LLC (Stratmark Interests) is the general partner of Stratmark Group and owns a 1% general partnership interest in Stratmark Group. Mr. Walvoord owns 100% of Stratmark Interests. The remaining 99% of Stratmark Group is owned by the Collins Legacy Trust. Mr. Walvoord is the trustee and a beneficiary of such trust.

Data Place, the prospective purchaser of the Plan's Partnership Interest, is a corporation that is 100% owned by Mr. Walvoord. Data Place is a currently inactive corporation which maintains its principal place of business in Texas.

7. Among the Plan's assets is a Partnership Interest in the Partnership, which was acquired before the Plan's investments became participant-directed. The Partnership, which located in Addison, Texas, is not a party in interest with respect to the Plan. The general partner of the Partnership (the General Partner) is Harkinson Texas Union Corp., a Texas corporation. As of August 31, 2005, there were 26 limited partners in the Partnership, including the Plan. The Partnership's business and purpose is the acquisition, ownership, operation and management of certain real property. Unless terminated earlier, the Partnership will continue until December 31, 2030. Neither Stratmark Group, Stratmark Interests nor any of its principals invest in the Partnership. Also, Mr. Walvoord does not invest in the Partnership in his individual capacity.

8. The underlying asset of the Partnership is its investment in the Town North Bank Building (the Building), which is located at 4455 LBJ Freeway (I-635), Farmers Branch, Dallas County, Texas. On May 18, 2000 and May 24, 2000, \$25,000 and \$225,000, respectively, were transferred at the direction of the trustee to an escrow account maintained by Chicago Title Insurance Company (unrelated party), awaiting the closure of the Partnership's purchase of the Building. Mr. Jeff Harkinson, President of the General Partner, administered the acquisition transaction on behalf of the Partnership. In exchange for a cash investment of \$250,000, the Plan received a 3.1818% interest in the Partnership. At the time of investment, the Partnership Interest represented 17% of the Plan's assets. As of September 30, 2005, the Partnership Interest represented 8.7% of the Plan's assets. The Partnership Interest is allocated among the accounts of 23 Plan participants.

9. As the Plan trustee, Mr. Walvoord purchased the Partnership Interest on behalf of the Plan because he determined there was an opportunity for the Plan to earn a 10% annual rate of return and to obtain diversification. For the first 22 months of its ownership of the Partnership Interest, the Plan earned a 10% cash-on-cash return. Thereafter, the Plan has received a rate of return on its investment in the Partnership of 5% of net cash flow.

Since the Plan has owned the Partnership Interest, it has received cash distributions in the form of rental income totaling \$63,541.65 and it has incurred total costs of \$4,115.00. (The Plan has made no additional capital contributions. The Plan's expenditures have been for valuation expenses.) Thus, the Plan's adjusted cost with respect to its ownership of the Partnership Interest (acquisition price plus expenses less cash distributions received) is \$190,573.35.

10. The Partnership Interest is currently illiquid and difficult to value. There is also no third party market for the Partnership Interest. Although the Partnership Interest was designed to be held by the original investors until the General Partner elects to sell the underlying assets and make liquidating distributions to the limited partners, Stratmark Group desires to allow participants the opportunity to direct the investment of their profit sharing accounts. Therefore, Mr. Walvoord, as Plan trustee, proposes to sell the Partnership Interest to Data Place for the greater of the adjusted cost or the fair market value of the Partnership Interest on the date of the sale. Data Place will pay the consideration in cash to the Plan. In addition, the Plan will not be required to pay any commissions, costs, or other expenses in connection with the proposed transaction.

11. The proposed transaction will allow Plan participants to receive an allocation of cash, which will be invested in other investment vehicles offered under the Plan. In addition, Mr. Harkinson, as general partner of the Partnership, has consented to the sale of the Partnership Interest by the Plan. The proposed transaction is expected to occur on or about January 6, 2006.

12. The Partnership Interest has been valued by CBIZ Valuation Group (CBIZ) of Dallas, Texas, a qualified, independent appraiser. CBIZ states that it is independent of the Partnership and the Partners and has no current or prospective interest in the Partnership's assets. Furthermore, CBIZ states that it derives less than 0.1% of its gross revenues from the Stratmark Group, its affiliates or Mr. Walvoord.

Using a discount study, in other words, an assessment of discounts that would be applicable to a noncontrolling limited partnership interest in DTU, CBIZ valued the Partnership Interest. CBIZ, placed the fair market value of the Partnership Interest at \$207,298 as of November 1, 2004. In an updated appraisal report dated November 28, 2005, Ms. Menon of CBIZ indicated that the fair market value of the Partnership Interest was \$210,000. Ms. Menon will again update the appraisal report on the date the proposed sale is consummated. Further, Mr. Walvoord will review and approve the methodology contained in the appraisal and ensure that such methodology is applied by the independent appraiser in determining the fair market value of the Partnership Interest before deciding whether it is prudent to proceed with the proposed transaction.

13. It is represented that the proposed transaction poses little, if any, risk of abuse or loss to the Plan, as the proposed transaction will enable the Plan to dispose of the Partnership Interest at a price which equals the greater of the Plan's adjusted cost or the fair market value at the time of the transaction, as determined by an independent, qualified appraiser.

14. The Applicant has identified as substantially similar to the proposed transaction the following individual exemption granted by the Department within the past 120 months and the following transaction, which received final authorization from the Department under PTCE 96-62 within the past 60 months:

- Prohibited Transaction Exemption 99-48 for Information Systems Development, Inc. Employees Profit Sharing Plan (the Plan) (December 17, 1999). This exemption permits the sale by the Plan of certain illiquid limited partnership interests to Convergys Information Management Group Inc., the sponsor of the Plan and a party in interest with respect to the Plan.
- Prohibited Transaction Exemption 2001-40 for Sierra Health Services, Inc. Profit Sharing Plan (the Plan) (October 22, 2001). This exemption permits the proposed sale by the Plan of certain limited partnership interests to Sierra Health Inc., the sponsor of the Plan and a party in interest with respect to the Plan.
- Final Authorization 2005-04E involving the Synergy, Inc. Profit Sharing Plan (the Plan) (March 26, 2005). This authorization permits the cash sale by the Plan of all the units of Synergy Partners, LLC, a legal entity which is wholly owned by the Plan to hold investments in certain limited partnerships, to certain former members of the Synergy, Inc. Operations Committee (the Applicants), who are parties in interest with respect to the Plan.

15. As a person who may be affected by the proposed transaction, you have the right to comment on the proposed transaction. Written comments should be addressed to:

Office of Exemption Determinations  
Employee Benefits Security Administration  
U.S. Department of Labor  
200 Constitution Ave, NW  
Room N-5649  
Washington, D.C. 20210  
Attention: Submission No. E-00501

Comments may also be submitted by facsimile to 202-219-0204, by e-mail to Ms. Ekaterina Uzlyan at [Uzlyan.Katie@dol.gov](mailto:Uzlyan.Katie@dol.gov).

16. The comment period will close on December 31, 2005. Final Authorization of the proposed transaction will not occur until the Department reviews all comments received in response to this notice.