Notice to Interested Persons

Providence Equity Partners Inc. ("Providence") and its affiliates filed a request for final authorization under Prohibited Transaction Class Exemption ("PTCE") 96-62 (as published in 61 Fed. Reg. 39988 (July 31, 1996), as amended by 67 Fed. Reg. 44,622 (July 3, 2002)) with the United States Department of Labor (the "Department") to permit the making, by an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA" or the "Act"), and/or section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") (each, a "Plan"), of capital contributions to any private equity fund (each, a "Fund") that is organized, sponsored and/or managed by Providence and/or any of its current or future affiliates pursuant to a contractual obligation by a Plan having an interest in the Fund after the Fund has become a party in interest to such Plan by virtue of the Fund's investment in a service provider to such Plan.

The proposed transactions have met the requirements for tentative authorization under PTCE 96-62. You are hereby notified that the Department is considering whether to provide final authorization for the above-described transactions pursuant to PTCE 96-62. Upon final authorization by the Department, the restrictions of section 406(a) of ERISA and/or the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) through (D) of the Code, shall not apply to the capital contributions previously described. The proposed transactions, proposed conditions for final authorization and the summary of facts and representations are explained in the enclosed appendix entitled "Request for Final Authorization."

As a person who may be affected by this request for final authorization, you have the right to comment by July 16, 2005.

Any transactions described above will only take place following final authorization by the Department.

All written comments by interested persons can be made to:

U.S. Department of Labor
Employee Benefits Security Administration
Office of Exemption Determinations
Division of Individual Exemptions
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Attention: Gary Lefkowitz, Room N-5649
Application Number: E-00450

Alternatively, interested persons may furnish their comments to the Department either via facsimile to (202) 219-0204 or via e-mail to Lefkowitz.Gary@dol.gov, in each case to the attention of Gary Lefkowitz.

The citations for a substantially similar individual exemption and a substantially similar case receiving final authorization under PTCE 96-62 upon which the request for final authorization is based are as follows:

PTE 2000-32: Triumph Capital
Final Exemption: 65 Fed. Reg. 37,170 (June 13, 2000)
Proposed Exemption: 65 Fed. Reg. 18,356 (April 7, 2000)

FAN 00-02E: Hellman & Friedman (Final Authorization granted July 28, 2002)

PTE 2000-32 and FAN 00-02E permit a Plan to make capital contributions to any private equity fund that is organized, sponsored and/or managed by Triumph or its current and future affiliates, in the case of PTE 2000-32, or Hellman & Friedman or its current or future affiliates, in the case of FAN 00-02E, pursuant to a contractual obligation by a Plan having an interest in any such private equity fund after the fund has become a party in interest to the Plan by virtue of the fund's investment in a service provider to such Plan.

For the convenience of interested persons, an appendix setting forth both the conditions that would be applicable upon final authorization by the Department under PTCE 96-62 and the facts and representations that support final authorization is attached. Providence strongly urges interested persons to read the attached appendix.

***Appendix* - - Request for Final Authorization**

Based on the facts and representations made by Providence Equity Partners L.P. (hereinafter "Applicant"), the Department of Labor (the "Department") is considering whether to provide final authorization pursuant to PTCE 96-62 to Applicant and its current and future affiliates (collectively, "Providence") to engage in the covered transactions described below.

Upon the Department's final authorization, the restrictions of section 406(a) of the Act[1] and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) through (D) of the Code, shall not apply, effective as of the date of the Department's final authorization ("Final Authorization") pursuant to PTCE 96-62, to the making, by an employee benefit plan subject to the Act (each, a "Plan"), of capital contributions to any private equity fund whose underlying assets are not "plan assets" under 29 C.F.R. 2510.3-101 (each, a "Providence Fund") that is organized, sponsored and/or managed by Providence pursuant to a contractual obligation by a Plan having an interest in the Providence Fund.[2] For purposes of this exemption authorization request, the term "affiliate" as it relates to Applicant, means any entity controlling, controlled by or under common control with Applicant.

The Department's Final Authorization is subject to the following conditions:

a. At the time the Plan undertakes the obligation to make such capital contributions (the "Determination Date"), the Providence Fund is not a party in interest with respect to the Plan.

b. The decision to commit to make capital contributions to a Providence Fund is made on behalf of the Plan by a Plan fiduciary which is independent of and unrelated to Providence and the portfolio company whose interest is acquired by the Providence Fund.

c. Providence does not otherwise provide investment advice as a fiduciary to the Plan, within the meaning of the Department's regulations at 29 C.F.R. 2510.3-21(c), with respect to such Plan's assets that are invested in the Providence Fund.

d. At the Determination Date, the Plan has aggregate assets that are in excess of $50 million; provided, however, that in the case of:

    1. Two or more Plans which are not maintained by the same employer, controlled group of corporations or employee organization (the "Unrelated Plans"), whose assets are invested in a Providence Fund through a group trust, an insurance company pooled separate account or any other form of entity the assets of which are "plan assets" under the Department's regulations at 29 C.F.R. 2510.3-101 (the "Plan Asset Regulation"), the foregoing $50 million requirement shall be satisfied if such trust, separate account, or other entity has aggregate assets which are in excess of $50 million, provided further

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1 For purposes of the Department's Final Authorization, references to provisions of Title I of the Act, unless otherwise noted herein, refer also to corresponding provisions of the Code.

2 Providence Funds are generally expected to be organized as venture capital operating companies or funds as to which participation by benefit plan investors is not significant within the meaning of 29 C.F.R. 2510.3-101(f)(1), in each case that are managed by Providence.

that the fiduciary responsible for making the investment decision on behalf of such group trust, insurance company pooled separate account, or other entity has –

(i) Full investment responsibility[3] with respect to the plan assets invested therein; and

(ii) Total assets under its management and control, exclusive of the assets invested in the Providence Fund, which are in excess of $100 million, for Providence Funds established after the date of the Department's Final Authorization.

2. Two or more Plans which are maintained by the same employer, controlled group of corporations or employee organization (the "Related Plans"), whose assets are invested in a Providence Fund through a master trust or any other entity the assets of which are "plan assets" under the Plan Asset Regulation, the $50 million requirement shall in any event be satisfied if such trust or other entity has aggregate assets which are in excess of $50 million, provided, further, that, in the case of a Providence Fund established after the date of the Department's Final Authorization, in addition to the $50 million requirement, if the fiduciary responsible for making the investment decision on behalf of such master trust or other entity is not the employer or an affiliate of the employer, then such fiduciary has total assets under its management and control, exclusive of the assets invested in the Providence Fund, which are in excess of $100 million.

e. The Providence Fund is a party in interest with respect to the Plan solely by reason of a relationship to a portfolio company which is a service provider to a Plan, as described in section 3(14)(H) or (I) of the Act, including a fiduciary with respect to such Plan.

f. The capital commitment of the Plan (together with the capital commitments of any other Plans maintained by the same employer, controlled group of corporations or employee organization with respect to the Providence Fund) does not exceed 15 percent of the total capital commitments made by all investors with respect to such Providence Fund, determined at the later of (i) the Determination Date, or (ii) the date on which the Providence Fund first becomes a party in interest with respect to such Plan.

g. At the Determination Date, the percentage of the Plan's assets committed to be invested in the Providence Fund does not exceed 5 percent of the Plan's total assets.

h. At the Determination Date, a Plan's aggregate capital commitment to all Providence Funds does not exceed 25 percent of the Plan's total assets.

i. The Plan receives the following initial and ongoing disclosures with respect to the Providence Fund:

1. A copy of the private placement memorandum applicable to the Providence Fund or another comparable document containing substantially the same information;

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[3] The Applicant notes that the term "full investment responsibility" means that the fiduciary responsible for making the investment decision has and exercises discretionary management authority over all of the assets of the group trust or other plan assets entity.

2. A copy of the limited partnership or other agreement establishing the Providence Fund;

3. A copy of the subscription agreement applicable to the Providence Fund, if any;

4. Copies of this Appendix once the Final Authorization has occurred; and

5. Periodic, but no less frequently than annually, reports relating to the overall financial position and operational results of the Providence Fund, including copies of the Providence Fund's annual financial statements.

j. With respect to contributions made to a Providence Fund by a Plan after the date of Final Authorization, Providence maintains, or causes to be maintained, for a period of six (6) years from the date of the transaction, such records as are necessary to enable the persons described in paragraph (k) below to determine whether the conditions of this authorization have been met, except that:

1. If the records necessary to enable the persons described in paragraph (k) to determine whether the conditions of the authorization have been met are lost or destroyed, due to circumstances beyond the control of Providence, then no prohibited transaction will be considered to have occurred solely on the basis of the unavailability of those records; and

2. No party in interest, other than Providence, which is responsible for recordkeeping, shall be subject to the civil penalty that may be assessed under section 502(i) of the Act or to the taxes imposed by section 4975(a) and (b) of the Code if the records are not maintained or are not available for examination as required by paragraph (k) below.

Notwithstanding the foregoing, persons continue to remain subject to the requirements of section 107 of the Act and the regulations thereunder to the extent such requirements are applicable.

k. 1. Except as provided in paragraph (k)(2) of this section, and notwithstanding any provisions of sections 504(a)(2) and (b) of the Act, the records referred to in paragraph (j) are unconditionally available at their customary location for examination during normal business hours by:

(i) Any duly authorized employee or representative of the Department or the Internal Revenue Service;

(ii) Any fiduciary of a Plan which has an interest in the Providence Fund and has the authority to acquire or dispose of the interest of the plan in the Providence Fund, or any duly authorized employee or representative of such fiduciary; or

(iii) Any participant or beneficiary of the Plan which has an interest in the Providence Fund, or any duly authorized employee or representative of such participant or beneficiary.

2. None of the persons described in paragraph (k)(1)(ii) and (iii) of this section shall be authorized to examine trade secrets of Providence or commercial or financial information which are privileged or confidential.

Summary of Facts and Representations

1. Providence Equity Partners Inc., a Delaware corporation (the Applicant), which, together with its affiliates (collectively with the Applicant, Providence), has organized, sponsored and/or managed 7 private equity funds, involving total capital commitments of approximately $8.3 billion dollars as of the date of filing of this Request for Final Authorization. The investors in these funds are primarily sophisticated institutional investors, including employee benefit plans that are subject to the Act, private foundations, financial institutions, government plans, endowments and other tax-exempt organizations, and wealthy individuals. The Applicant represents that private equity funds, such as the Providence Funds, allow Plans, particularly those having significant asset bases, to achieve greater diversification by asset class. As such, many of the investors in the existing Providence Funds, and many potential investors in future Providence Funds, will be Plan investors that are covered by the Act.

2. Each Providence Fund in which any Plan invests is organized and operated so that the assets of such Providence Fund will not be deemed to be "plan assets" under the Plan Asset Regulation. In most cases, this results from the fact that the Providence Fund is operated in a manner which causes such Fund to qualify as a venture capital operating company.[4] In some cases, it may be the result of the fact that the equity participation in the Providence Fund by benefit plan investors is not significant (i.e., more than 75 percent of each class of equity interests in the entity is held by non-benefit plan investors (the "25% Test")).[5]

3. The Providence Funds have typically been structured as limited partnerships with Providence serving as general partner and, in some cases, having an interest as a limited partner (Providence Funds organized in the future may be organized using different structures, including limited liability companies). The Providence Funds are managed by Providence which receives a pre-specified management fee as well as a pre-specified incentive allocation after investors have received distributions in excess of their capital

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4 The Department's regulation at 29 C.F.R. 2510.3-101(c) defines the term "operating company" as an entity that is primarily engaged, directly or through a majority-owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital. The term "operating company" includes a "venture capital operating company."

Section 2510.3-101(d) provides, in part, that an entity is a "venture capital operating company" if at least 50 percent of its assets are invested in venture capital investments, and the entity, in the ordinary course of its business, actually exercises management rights with respect to one or more operating companies in which it invests. Section 2510.3-101(d)(3) explains that a venture capital investment is an investment in an operating company (other than a venture capital operating company) as to which the investor has or obtains management rights. The term "management rights" is defined under 29 C.F.R. 2510.3-101(d)(3)(ii) to mean contractual rights directly between the investor and an operating company to substantially participate in, or substantially influence the conduct of, the management of the operating company.

5 The Department's regulation at 29 C.F.R. 2510.3-101(f)(1) states, in pertinent part, that equity participation in an entity by benefit plan investors is "significant" on any date, if immediately after the most recent acquisition of any equity interest in the entity, 25 percent or more of the value of any class of equity interests in the entity is held by benefit plan investors.

contributions and, in some cases, plus a pre-specified minimum rate of return. Because the Providence Funds are generally expected to be organized as venture capital operating companies or otherwise to comply with the 25% Test, the Applicant represents that none of the Providence Funds will hold "plan assets" and that the compensation paid to Providence by the Providence Funds will not be subject to the prohibitions under the Act.[6]

4. Providence Funds typically involve multiple closings with investors making their investment commitments (and therefore having a Determination Date) over a three to twelve month period. Because of this staging, the Applicant proposes, for purposes of the 15% limit contained in condition (f) above, to test each Plan investor's capital commitment with respect to the Providence Fund in relation to the total capital commitments made by all the investors with respect to such Providence Fund at the later of (a) the Determination Date, or (b) the date on which the Providence Fund first becomes a party in interest with respect to such Plan investor.

   Each investor in a Providence Fund, including each Plan investor, enters into a binding commitment to make capital contributions to the Providence Fund in an amount specified by the investor. However, the investors' capital commitments typically are not funded at the outset. Rather, the capital is drawn down over time as the Providence Fund identifies and makes its investments. Generally, capital is called down in installments ranging from 1 percent to 20 percent of the total commitment. In most cases, all of the capital commitments will have been drawn down within 5 to 6 years of the establishment of the Providence Fund. The Applicant represents that a Plan investor's risk of loss will not exceed the Plan investor's capital commitment to the Providence Fund.

5. The Providence Funds' investments include a wide variety of portfolio companies.[7] Specifically, the Providence Funds may acquire interests in the portfolio companies which are involved, whether directly or through subsidiaries, in various aspects of the financial services industry. The Applicant believes that the flexibility to acquire such investments is necessary to enable the Providence Funds to maximize investment opportunities and investment returns. In the Applicant's view, business opportunities can arise in connection with start-up or later-stage companies (including spinoffs and management buy-outs of existing business operations) in virtually any type of business.

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[6] The Applicant notes that the Department is providing no opinion with regard to whether a Providence Fund is a venture capital operating company or whether the equity participation by Plans investing in a Providence Fund is not significant. In addition, the Applicant notes that the Department is not expressing any views with respect to the compensation that is paid to Providence by a Providence Fund.

[7] According to the Applicant, the term "portfolio company" refers to each of the operating companies in which a private equity fund has made an investment. Thus, for example, when a private equity fund, such as a Providence Fund, makes an investment in a company, that company becomes one of the private equity fund's portfolio companies and will remain so as long as the private equity fund retains its investment in that company. Similarly, if a private equity fund acquires an interest in an investment management firm, the investment management firm will become a portfolio company of the private equity fund.

6. Providence Funds may acquire interests in portfolio companies that are involved in providing money management services, brokerage services or other types of services which may be utilized by Plans and institutional investors. The portfolio company may be, or may become, a party in interest with respect to one or more Plans which hold an interest in the Providence Fund when such portfolio company, or any subsidiary thereof, performs services for a Plan. The services may include fiduciary services (e.g., management of assets of the Plan other than those invested in a Providence Fund). In no event will the portfolio company or its subsidiary act in a fiduciary capacity with respect to the assets of the Plan that are invested in the Providence Fund.

If the Providence Fund owns, directly or indirectly, a 10 percent or more interest in a service provider to a Plan, the Applicant notes that the Providence Fund will become a party in interest with respect to such Plan under section 3(14)(H) or (I) of the Act.[8] Since a Providence Fund frequently purchases a 10 percent or more interest in a portfolio company, the Applicant represents that it is possible that a Providence Fund could become a 10 percent or more owner of a service provider and a party in interest with respect to each Plan as to which the portfolio company (or one of its subsidiaries) is a service provider. Once a Providence Fund becomes a party in interest with respect to a Plan, the Applicant states that the Plan would be prohibited from engaging in any transaction with that Providence Fund without an exemption or the Department's Final Authorization.

If a Providence Fund were to become a party in interest with respect to a Plan, Providence is concerned that a capital contribution made by the Plan subsequent to the Providence Fund's becoming a party in interest may violate section 406(a)(1)(D) of the Act notwithstanding the fact that the capital contribution is being made pursuant to a pre-existing binding contractual commitment made by the Plan at a time when the Providence Fund was not a party in interest. Therefore, to resolve these potential technical violations of the Act, the Applicant has requested an administrative authorization from the Department.[9]

7. The Applicant is not, as of the date of Final Authorization, registered under the Investment Advisers Act of 1940 (the "Advisers Act"). With respect to any future Providence Fund for which capital is raised, the Applicant will disclose whether or not the Applicant is a registered investment adviser under the Advisers Act in the offering documents for the Providence Fund. In the event that the Applicant registers under the

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8 In this regard, it is noted that the corresponding section of the Code relating to "disqualified persons" (see section 4975(e)(2)(H) and (I)) does not contain a similar provision which would make the owner of 10 percent or more of a service provider a disqualified person with respect to a Plan. Nevertheless, because the service provider is a "disqualified person" under section 4975(e)(2)(B) of the Code, the Applicant has requested that the Final Authorization extend to both the Code and the Act in order to avoid any potential concerns regarding the possibility of indirect prohibited transactions.

9 The Applicant notes that the Department is providing no opinion in the Final Authorization regarding whether, or to what extent, a Plan engaging in the subject transaction with a Providence Fund would violate section 406(a) of the Act, once the Providence Fund becomes a party in interest with respect to the Plan, under the circumstances described herein.

Advisers Act subsequent to the date of Final Authorization, the Applicant will comply with the Advisers Act's disclosure rules. In addition, the Applicant will disclose all direct and indirect fees that will be paid by the Plan to the Applicant in the offering documents for the Providence Fund.

8. The Applicant acknowledges that the Final Authorization by the Department will not provide relief for investments in the Providence Fund by any employee benefit plan subject to Title I of the Act that covers employees of the Applicant or its affiliates. In addition, the Department's Final Authorization is subject to a number of conditions. First, the Providence Fund's party in interest status will, in all cases, arise after the Determination Date, i.e., after the Plan investor has made a binding commitment to invest in the Providence Fund, including its commitment to make future capital contributions to the Providence Fund. Second, the decision to undertake the obligation to make a binding commitment must be made on behalf of the Plan by a Plan fiduciary which is independent of and unrelated to Providence and the portfolio company. Third, Providence must not otherwise provide investment advice to the Plan, within the meaning of the Department's regulation at 29 C.F.R. 2510.3-21(c) (defining when an investment adviser to a plan becomes a fiduciary by reason of the advice), with respect to such Plan's assets that are invested in the Providence Fund. Fourth, at the Determination Date, the Plan must have aggregate assets that are in excess of $50 million, subject to special rules addressing investments in a Providence Fund by entities holding the assets of multiple plans, such as group trusts and master trusts. Fifth, at the later of the Determination Date or the date on which the Providence Fund first becomes a party in interest with respect to such Plan investor, the capital commitment of the Plan (together with the capital commitments of any other Plans maintained by the same employer, controlled group of corporations, or employee organization) with respect to the Providence Fund, must not exceed 15 percent of the total capital commitments with respect to such Providence Fund. Sixth, at the Determination Date, the percentage of the Plan's assets committed to be invested in the Providence Fund must not exceed 5 percent of the Plan's total assets. Seventh, at the Determination Date, a Plan's aggregate capital commitment with respect to all Providence Funds must not exceed 25 percent of such Plan's total assets.

9. The conditions of the Department's Final Authorization also require that each Plan receive the following initial and ongoing written disclosures from Providence: (a) a copy of the private placement memorandum applicable to the Providence Fund or another comparable document containing substantially the same information; (b) a copy of the limited partnership or other agreement establishing the Providence Fund; (c) a copy of the subscription agreement applicable to the Providence Fund, if any; (d) copies of Appendix A-1, after Final Authorization; and (e) periodic, but no less frequently than annually, reports relating to the overall financial position and operational results of the Providence Fund including copies of the Providence Fund's annual financial statements. In addition, with respect to capital contributions made to a Providence Fund by a Plan after the date of Final Authorization, Providence will maintain or cause to be maintained for a period of six (6) years from the date of each transaction, records of each Plan investing in a Providence Fund and each portfolio company comprising a Providence Fund. Such records will enable the Department and other persons to determine whether the terms and conditions of the Final Authorization are being met.

10. In summary, it is represented that the proposed transactions satisfy the criteria of PTCE 96-62, among other things, because: (a) the Providence Fund's party in interest status with respect to the Plan will arise after the Plan has made its binding commitment to invest in the Providence Fund, including its commitment to make future capital contributions to the Providence Fund; (b) the decision by a Plan to make capital contributions to the Providence Fund has been and will be made on behalf of the Plan by a Plan fiduciary which is independent of and unrelated to Providence and the portfolio company that is acquired by the Providence Fund; (c) Providence will not otherwise provide investment advice to the Plan, within the meaning of 29 C.F.R. 2510.3-21(c) of the Act, with respect to such Plan's assets that are invested in the Providence Fund; (d) at the later of the Determination Date, or the date on which the Providence Fund first becomes a party in interest with respect to such Plan investor, the capital commitment of the Plan (together with the capital commitment of any other related Plans maintained by the same employer, controlled group of corporations, or employee organizations) will not exceed more than 15 percent of the total outstanding capital commitments made by all investors with respect to the Providence Fund; (e) at the Determination Date, the percentage of the Plan's assets committed to be invested in the Providence Fund has not and will not exceed 5 percent of the Plan's total assets, and the Plan's aggregate commitment to all Providence Funds has not and will not exceed 25 percent of the Plan's total assets; (f) a Plan investing in a Providence Fund has or will have, either alone or in combination with other plans, assets that are in excess of $50 million (as described under the conditions contained herein); and (g) Providence has made or will make written disclosures to the Plan regarding the Providence Fund, both at the time of the initial commitment to invest in such Fund as well as on an ongoing basis.