

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities [amend]

Filing Date: **1996-09-30**
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SUBJECT COMPANY

UNIVERSAL STANDARD MEDICAL LABORATORIES INC

CIK: **889187** | IRS No.: **382986640** | State of Incorporation: **MI** | Fiscal Year End: **1231**
Type: **SC 13D/A** | Act: **34** | File No.: **005-42998** | Film No.: **96637277**
SIC: **8071** Medical laboratories

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21705 EVERGREEN
SOUTHFIELD MI 48075

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SOUTHFIELD MI 48075
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FILED BY

WESTSPHERE FUNDING LTD

CIK: **1023960**
Type: **SC 13D/A**

Mailing Address
WEST SPHERE GROUP
PO BOX 309 63 SMB
CAYMAN ISLAND

Business Address
WEST SPHERE GROUP
PO BOX 309 63 SMB
CAYMAN ISLAND
2124552664

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934 (Amendment No.)*

Universal Standard Medical Laboratories, Inc.

(Name of Issuer)

Common stock, no par value

(Title of Class of Securities)

913839106

(CUSIP Number)

Barbara McDonald; WestSphere Group; P.O. Box 309 63 SMB,
Grand Cayman, Cayman Islands, B.W.I., Tel.: 809-949-9845

(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications)

September 19, 1996

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box / /
Check the following box if a fee is being paid with this statement / /. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of less than five percent of such class. See Rule 13d-7.)

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP No. 913839106

- 1) Names of Reporting Persons S.S. or I.R.S.
Identification Nos. of Above Persons.

- 2) Check the Appropriate Box if a Member of a Group (See Instructions).
 - (a). / /
 - (b). / /

- 3) SEC Use Only.

- 4) Source of Funds

See Item 3

- 5) Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e). / /

- 6) Citizenship or Place of Organization

The Cayman Islands

- 7) Sole Voting Power
None

- 8) Shared Voting Power
None

- 9) Sole Dispositive Power
None

- 10) Shared Dispositive Power
None

- 11) Aggregate Amount Beneficially Owned by Each Reporting Person.0

- 12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions). / /

- 13) Percent of Class Represented by Amount in Row (11)

0.0%

- 14) Type of Reporting Person

Number of
Shares Beneficially
Owned by
Each Reporting
Person With

Item 1. Security and Issuer.

This statement relates to the common stock, no par value per share (the "Shares"), of Universal Standard Medical Laboratories, Inc., a Michigan corporation (the "Company"). The Company's principal executive office is located at 21705 Evergreen Road, Southfield, Michigan 48075.

Item 2. Identity and Background.

This statement is being filed on behalf of WestSphere Funding, Ltd. ("Funding").

Funding is a corporation organized under the laws of the Cayman Islands, B.W.I. Funding II, LP is a limited partnership organized under the laws of Delaware. Funding maintains its principal place of business at c/o Maples and Calder, Cayman International Trust Building, P.O. Box 309, Panton Avenue, Kirk House, Grand Cayman, Cayman Islands, B.W.I.; mailing address: P.O. Box 309 63 SMB, Grand Cayman, Cayman Islands, B.W.I.

Funding's principal business is the acquisition of U.S. companies through the provision of equity investments.

Funding is party to a management agreement with WestSphere Capital Associates, L.P., a Delaware limited partnership ("WCA"), pursuant to which WCA has the authority to manage the assets, including any Shares owned by Funding WestSphere Capital Inc., a Delaware corporation ("WCI"), is the general partner of WCA, and, therefore, may be deemed to be an entity controlling Funding. WCI manages the business of WCA. The address of each of WCA and WCI is c/o WestSphere Capital Associates, L.P., 55 East 50th Street, 13 floor, New York, New York 10022.

Information concerning the executive officers and directors of each of Funding, WCA and WCI is set forth in Schedule A to this statement. Neither Funding nor, to the best of our knowledge, WCA, WCI or any person named in Schedule A, during the last five years (i) has been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors); or (ii) was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violations with respect to such laws.

Item 3. Source and Amount of Funds or other Consideration.

Portfolio Investment Company Limited ("PICL"), a Cayman Islands corporation, acquired 300,018 Shares from Funding pursuant to a Subscription and Share Purchase Agreement, dated September 19, 1996,

enclosed hereto as Exhibit 1 (the "Subscription and Share Purchase Agreement") and incorporated by reference herein. PICL acquired the Shares with the proceeds of the offering outside of the United States pursuant to Regulation S of the Securities Act of 1933, as amended, of US\$8,000,000 of 9 1/4% Notes Due 1999 (the "Notes").

Item 4. Purpose of Transaction.

Funding sold its directly held Shares to PICL in order to obtain funds to repay certain obligations owed by Funding and otherwise restructure its investment portfolio. Through the subscription of 4,875 shares of PICL, representing a 9.75% ownership of that entity, Funding has maintained a indirect beneficial interest in 212,376 Shares. Depending upon the Company's business and prospects, and upon future developments (including, without limitation, performance of the Shares in the market, availability of funds to PICL to pay its obligations under the Notes and general economic conditions), PICL may from time to time dispose of all or a portion of the Shares it holds. Funding, in turn (or persons who may be deemed to be affiliated with Funding), may from time to time purchase Shares, either from PICL or unaffiliated parties. Any purchases by Funding (or affiliates) may be in the open market or privately negotiated transactions, or otherwise. Funding is contractually obligated to repurchase up to 945,349 Shares if PICL exercises a put right under the Subscription and Share Purchase Agreement.

Funding continues to hold warrants for the purchase of up to 83,117 Shares. Other than this, Funding disclaims any other continuing beneficial interest in the Shares.

Except as described in this Item 4, Funding has not formulated any plans or proposals which relate to or would result in: (a) the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company; (b) an extraordinary corporation transaction, such as merger, reorganization or liquidation, involving the Company or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Company or any of its subsidiaries; (d) any change in the present Board of Directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the Board; (e) any material change in the present capitalization or dividend policy of the Company; (f) any other material change in the Company's business or corporate structure; (g) changes in the Company's charter or bylaws or other actions which may impede the acquisition of control of the Company by any person; (h) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) causing a class of equity securities of the Company to become eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934; or (j) any action similar to those enumerated above.

Item 5. Interest in Securities of the Issuer.

- (a) The table below sets forth the number and percentage of Shares directly and indirectly held by each person named in Item 2 above:

Filing Party	Number of Shares Directly Held	Number of Shares Indirectly Held	Number of Shares Directly and Indirectly Held	Approximate Percentages
Funding	83,1170<F1>	0	83,117<F1>	1.3%<F3>
WCA<F2>	-	480,517	480,517	38.8%<F3>
WCI<F2>	-	480,517	480,517	38.8%<F3>

[FN]

<F1> Reflects warrants for the purchase of 83,117 Shares.

<F2> Includes the Shares sold by Funding to PICL and all other Shares acquired and owned by PICL. This number also includes 45,710 Shares held by CLF, Ltd., 173.465 Shares held by CLF L.P., both entities controlled by WCA, and warrants held by affiliates of WCA and WCI to purchase 83,117 Shares. PICL has entered into a Management Agreement whereby WCA will have investment power including the power to dispose, or to direct the disposition of the Shares, and therefore WCA may be deemed to be the beneficial owner of the Shares directly owned by PICL. WCI is the general partner of WCA, and therefore may be deemed to be the beneficial owner of the Shares directly owned by PICL. WCA and WCI disclaim this beneficial interest.

<F3> Percentages of beneficial ownership are calculated assuming 6392,000 Shares issued and outstanding as of December 31, 1996, as reported in the Company's Annual Report on Form 10-K.

- (b) Funding has no power to vote the Shares beneficially owned by it except indirectly through exercise of its rights as shareholder of PICL.
- (c) Funding sold 300,018 Shares to PICL on September 19, 1996 as described in Items 3 and 4.
- (d) Not applicable.
- (e) September 19, 1996.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Pursuant to the Subscription and Share Purchase Agreement, Funding has agreed to purchase up to 212,376 Shares at the option of PICL at a price to be determined on the basis of the number of Shares then held by PICL and certain obligations owed by PICL.

Item 7. Material to be Filed as Exhibits.

Exhibit 1. Subscription and Share Purchase Agreement dated September 19, 1996.

SCHEDULE A

Directors and Executive Officers

Except as set forth below, the business address of each person is c/o WestSphere Capital Associates, L.P., 55 East 50th Street, 13 floor, New York, New York 10022.

Directors of Funding Present Principal Occupation.

(a) Jose Bohorquez Director of Equity

(b) Ryhal Gallagher Director of Equity

General Partner of WCA

WCI

Executive Officers of WCA

Eduardo Bohorquez Chief Executive Officer

Nicholas Peters Managing Director

Joseph J. Vadapalas Managing Director

Directors and Executive Officers of WCI

Eduardo Bohorquez President and Chief Executive Officer

Nicholas Peters Executive Vice President

Joseph J. Vadapalas Executive Vice President

Citizenship of Directors and Executive Officers

(a) Jose Bohorquez	Colombia
(b) Eduardo Bohorquez	United States
(c) Joseph J. Vadapalas	United States
(d) Ryhal Gallagher	Republic of Ireland

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

WESTSPHERE FUNDING, LTD.

By: /s/ Joseph J. Vadapalas
Joseph J. Vadapalas
Its: Authorized Signatory

Date: September 30, 1996

EXHIBIT INDEX

Exhibit 1. Subscription and Share Purchase Agreement, dated September 19, 1996.

SUBSCRIPTION AND SHARE PURCHASE AGREEMENT

THIS AGREEMENT, dated as of September 19, 1996, by and among WESTSPHERE EQUITY HOLDINGS, LTD., a corporation organized and existing under the laws of the Cayman Islands ("Equity"); WESTSPHERE EQUITY HOLDINGS II, LTD., a corporation organized and existing under the laws of the Cayman Islands ("Equity II"); WESTSPHERE FUNDING, LTD., a corporation organized and existing under the laws of the Cayman Islands ("Funding"); WESTSPHERE FUNDING II, LTD., a corporation organized and existing under the laws of the Cayman Islands ("Funding II"); CLF, LTD., a corporation organized and existing under the laws of the Cayman Islands ("CLF"); WESTSPHERE FUNDING II, L.P., a limited partnership constituted and existing under the laws of the State of Delaware ("Funding II, L.P.") (together, the "Investors"); and PORTFOLIO INVESTMENT COMPANY LIMITED, a corporation organized and existing under the laws of the Cayman Islands (the "Company");

RECITALS

WHEREAS, the Company has been established by the Investors for the purpose of holding and selling certain investments in corporations located in the United States of America which initially consists in the USML Shares (as hereinafter defined), the Holding Shares (as hereinafter defined) and the Note (as hereinafter defined), together with any cash (including interest accrued thereon) derived from such investments (together, the "Portfolio") all of which are currently owned by the Investors as described in Schedule I hereto;

WHEREAS, each of the Investors desires to participate as an equity investor in the Company by purchasing, and the Company wishes to sell, the Shares (as hereinafter defined);

WHEREAS, the Company desires to purchase from each of the Investors, and the Investors wishes to sell, the Portfolio;

NOW, THEREFORE, in consideration of the mutual promises, the covenants and agreements contained herein together with other consideration, the adequacy and receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I.

Definitions

1.1 Certain Definitions. As used in this Agreement, the following definitions shall have the following meanings (such definitions to be equally applicable to both singular and plural forms of the terms defined):

"Agreement": this Subscription and Share Purchase Agreement, as

amended, supplemented or otherwise modified from time to time.

"Applicable Law": as to any Person (a) the Certificate of Incorporation, Memorandum of Association and Articles of Association or other organizational or governing documents of such Person, (b) any law, treaty, rule, regulation, ordinance, decree, injunction, writ or order or any determination of an arbitrator or a court or other governmental authority, in each case applicable to or binding upon such Person.

"Closing": the closing of the purchase and sale of the Shares pursuant to this Agreement to take place at the offices of Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York.

"Closing Date": unless otherwise agreed by the parties hereto, the date upon which the conditions set forth in Article VII of the Fiscal Agency Agreement are satisfied.

"Company": as defined in the Recitals hereto.

"Fiscal Agency Agreement": refers to the Fiscal Agency Agreement, dated as of the date hereof, by and between the Company and The Bank of New York, London Branch, as fiscal and paying agent, as amended, supplemented or otherwise modified from time to time.

"Governmental Approval": authorizations, consents, approvals, waivers, exemptions, variances, franchises, permissions, permits and licenses of, and filings and declarations with, any Governmental Authority.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Holding": refers to Southland Food Services Holding Corporation, a Delaware corporation.

"Holding Shares": means 90 fully paid and nonassessable shares of the existing common stock of Southland Food Services Holding Corporation, a Delaware corporation.

"Note": means a certain note issued to Funding II by Holding for the aggregate amount of US\$3.35 million.

"Notes Due 1999": as defined in Section 4.2.

"Person": any individual, firm, corporation, partnership, group, trust, joint venture, Governmental Authority or other entity, and shall include any successor (by merger or otherwise) of such entity.

"Placement Agent": refers to WestSphere Investment Management, S.A.

as placement agent under the Placement Agreement.

"Placement Agreement": means the Placement Agreement by and among the Company, as issuer, and WestSphere Investment Management S.A., as placement agent, executed on September 19, 1996 whereby the Company issued and the Placement Agent agreed to place the Notes Due 1999 and provide certain additional services to the Company.

"Shares": the shares of common stock of the Company as set forth in the Articles of Association.

"US\$" or "U.S. dollars": dollars in lawful currency of the United States of America.

"USML Shares": means 2,178,223 fully paid and nonassessable shares of the existing common stock of Universal Standard Medical Laboratories, Inc., a Michigan company publicly registered with the U.S. Securities and Exchange Commission and NASDAQ listed.

1.2 Additional Defined Terms. For facility of use certain additional terms are defined within the Agreement at the point of reference.

ARTICLE II.

Subscription of Common Shares

Upon the terms and subject to the conditions of this Agreement, the parties hereto agrees as follows

2.1 Subscription of Shares. At the Closing, each of the Investors will subscribe the number of Shares of the Company set forth opposite the name of such Investor on Schedule I hereto, at the subscription price of US\$1.00 per Share. The price of subscription will be deducted from the amounts payable to each Investor by the Company for the Portfolio, in accordance with the respective amounts otherwise payable by such Investor.

2.2 Delivery of Certificates. The issuance, sale and purchase of the Shares shall be evidenced by the Company delivering or causing to be delivered to each Shareholder one or more certificates representing the number of Shares purchased by such Shareholder, such certificate or certificates to be duly registered in the name of the Shareholder on the books of the Company in accordance with the Articles of Association.

ARTICLE III.

Purchase of the Portfolio

Upon the terms and subject to the conditions of this Agreement, the parties hereto agree as follows:

3.1 Purchase and Sale of Shares. 1. At the Closing, the Company agrees to purchase and each Investor agrees to sell the USML Shares, Holding Shares and Note (together, the "Portfolio") in amount and for the consideration set forth opposite the name of each Investor on Schedule II hereto. The amount of consideration is calculated at 58.31% of the estimated fair market value of the Portfolio. The Investors acknowledge and agree that the discount to market value is fair and reasonable in the light of their maintenance of an indirect interest in the Portfolio through their ownership of the Company. The consideration amount set forth in Schedule II, after adjustment in accordance with Section 3.2 hereof, will be payable the first business day immediately following Closing by wire transfer in immediately available funds to the accounts designated by the Investors on Schedule IV hereto. At Closing, the Investors shall deliver to the Company certificates evidencing the USML Shares and the Holding Shares, duly endorsed in blank or with a duly executed stock transfer power attached and the Note, duly assigned to the Company.

3.2 Repayment of Debt. In partial payment of the consideration, the Company agrees to repay or arrange for the repayment of certain obligations of certain Investors not in excess of an aggregate of US\$3,000,000 (the

"Investor Debt"). The persons to whom such Investor Debt is payable, together with the amounts owing (interest and principal) are set forth in Schedule III hereto. As a result, the consideration payable by the Company to such Investors for the Portfolio is reduced in recognition of the Company's agreement to repay the Investor Debt. The Company has entered into the Placement Agreement with the Placement Agent, an affiliate of the Investors, pursuant to which the Placement Agent has agreed to place the Notes Due 1999 and allocate the proceeds therefrom in accordance with the instructions contained in such agreement, including, without limitation, the payment of the amounts owed hereunder and the payment of the Investor Debt. The Placement Agent shall use its best efforts to obtain an executed release from the creditors of such Investors.

3.3 Irrevocability of Transfer. The Investors agree that, upon satisfaction of the conditions to Closing set forth in Article VI of the Fiscal Agency Agreement, the transfer of the Portfolio is irrevocable. In that regard, the Investors accept any risk of nonpayment from the Placement Agent and will look to the Placement Agent as third party beneficiaries under the Placement Agreement for payment of the amounts owed hereunder and for evidence of repayment of the Investor Debt and releases from the creditors for the Investor Debt.

ARTICLE IV.

Put Right

4.1 Put Right. The Company shall have the right (a "Put Right") to require at any time the Investors to purchase all, but not less than all, the Portfolio, or whatever portion of the Portfolio is remaining at such time, at

the Put Price (as hereinafter defined). Each Investor acknowledges and agrees that it will purchase, upon prior receipt of notification pursuant to this Section 4.1, the Portfolio (or the remaining portion thereof) by paying its pro rata share of the Put Price in accordance with its proportional interest in the capital stock of the Company. The Company shall give written notice to the Investors of its intention to exercise its Put Right with at least 30 days prior to the date of exercise.

4.2 Put Price. The "Put Price" shall be equal to the sum of (i) the interest accrued and payable on the notes issued by the Company pursuant to the Fiscal Agency Agreement (the "Notes Due 1999") through the date of exercise, (ii) the principal outstanding on the Notes Due 1999, (iii) any premium, prepayment or other charge due and payable on the Notes Due 1999 in accordance with the Fiscal Agency Agreement and (iv) additional amounts, if any, required to pay the Company's fees and expenses related to the Notes Due 1999.

ARTICLE V.

Representations and Warranties

5.1 Representations and Warranties of the Investors. Each of the Investors represents and warrants to each other party that, as of the date of this Agreement and as of the Closing Date, with respect to itself:

(a) Organization and Standing. Such party:

(i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation

except for Funding II L.P. which is a limited partnership existing under the laws of the Cayman Islands; and

(ii) has all requisite organizational power and authority necessary to enable it to use its corporate name and to own, lease or otherwise hold its properties and assets and to carry on its business as presently conducted or intended.

(b) Authority. Such party has all requisite organizational power and authority to enter into this Agreement to which it is a party and to consummate the transactions intended hereby and thereby. The execution and delivery by such party of this Agreement and the consummation by such party of the transactions contemplated hereby and thereby, have been duly authorized by all necessary organizational action on the part of such party. This Agreement has been, or will at the Closing have been, duly executed and delivered by such party and constitute, or will at the Closing constitute, its legal, valid and binding obligations, enforceable against such party in accordance with their respective terms. The execution and delivery by such party of this Agreement does not and did not, and the consummation of the transactions and compliance with the terms of this Agreement will not, conflict with, result in any violation of or default (with or without notice or lapse of time or both)

under, give rise to a right of termination, cancellation or acceleration of any material obligation or to the loss of any material benefit under or result in or require the creation, imposition or extension of any lien upon any of its properties or assets under (A) any contract, (B) any provision of its constitutive documents or (C) any judgment or Applicable Law, except, with respect to clauses (A) or (C), for such conflicts, violations, defaults, rights or losses that, individually or in the aggregate, would not have a material adverse effect on such party's ability to perform its obligations under this Agreement in accordance with their respective terms. No Governmental Approval or approval of any other Person is required to be obtained or made by such party or any of its Affiliates in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby or thereby.

(c) Ownership. Such party is the registered and beneficial owner of all Portfolio listed opposite its name on Schedule II hereto, free and clear of all liens, charges, encumbrances, security interests, options, pledges, transfer restrictions or any other claims or third party rights.

5.2 Representations and Warranties of the Company

The Company represents and warrants to each other party that, as of the date of this Agreement and as of the Closing Date, with respect to itself:

(a) Organization and Standing. The Company:

(i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; and

(ii) has all requisite corporate power and corporate authority necessary to enable it to use its corporate name and to own, lease or otherwise hold its properties and assets and to carry on its business as presently conducted or intended.

(b) Authority. The Company has all requisite corporate power and corporate authority to enter into this Agreement and to consummate the transactions intended hereby and thereby. The execution and delivery by the

Company of this Agreement and the consummation by the Company of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate action on the part of the Company. This Agreement has been, or will at the Closing have been, duly executed and delivered by the Company and constitute, or will at the Closing constitute, its legal, valid and binding obligations, enforceable against the Company in accordance with their respective terms. The execution and delivery by the Company of this Agreement does not and did not, and the consummation of the transactions and compliance with the terms of this Agreement to which it is a party will not, conflict with, result in any violation of or default (with or without notice or lapse of time or both) under, give rise to a right of termination, cancellation or acceleration of any material obligation or to the loss of any material benefit under or result in or require the creation, imposition or extension of any lien upon any of its properties or assets under (A) any contract, (B) any provision

of its constitutive documents or (C) any judgment or Applicable Law, except, with respect to clauses (A) or (C), for such conflicts, violations, defaults, rights or losses that, individually or in the aggregate, would not have a material adverse effect on the Company's ability to perform its obligations under this Agreement in accordance with their respective terms. No Governmental Approval or approval of any other Person is required to be obtained or made by the Company or any of its Affiliates in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby or thereby.

(c) Authorized Capital. The authorized capital stock of the Company consists of 50,000 shares of common stock, nominal (par) value US\$1.00. All issued and outstanding shares have been duly authorized and are validly issued, fully paid and nonassessable. The Company does not have outstanding any rights (preemptive or other) to subscribe for or to purchase, or any warrants or options for the purchase of, or any agreements, understandings or arrangements providing for or other obligations requiring the issuance (contingent or other) of, or any calls, commitments or claims of any character relating to, any shares of any class of its capital stock or any securities convertible into or exchangeable for any such stock. The Company is not subject to any obligations (contingent or other) to repurchase or otherwise acquire or rescind the sale of any shares of any class of its stock or any securities, rights or options related thereto.

ARTICLE VI.

Covenants

In order to induce the Investors to enter into this Agreement, the Company agrees and covenants with the Shareholders that it will be subject to the covenants set forth in Article VIII of the Fiscal Agency Agreement as if the same appeared in their entirety herein.

ARTICLE VII.

Miscellaneous Provisions

7.1 Expenses. All costs and expenses incurred in connection with this Agreement, shall be paid by the Company.

7.2 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person other than the parties hereto and their respective successors and permitted assigns.

7.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns.

7.4 Assignment. No party may assign or otherwise transfer any of its rights or obligations under this Agreement by operation of law or otherwise, without the prior written consent of the other Parties, which consent shall not be unreasonably withheld. Any purported or attempted assignment contrary to the terms hereof shall be null and void and of no force or effect.

7.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

7.6 Headings. The sections headings contained in this Agreement are inserted for convenience only and are not part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement.

7.7 Notices. Notices given under this Agreement shall be in writing and shall be effective when actually delivered to such party by hand, telex or telecopy to an officer of such party or on the date indicated on the signed receipt if sent by mail, postage prepaid;

(a) if to the Investors, shall be delivered or sent by mail, telex or facsimile transmission to WestSphere Investment Management S.A., Av. Adolfo Davila 740, piso 4, oficina 18, Dock 5 Puerto Madero (1107), Buenos Aires, Argentina, Attention: Armando C. Braun, Chairman, cc to: Walter Fonseca, Director;

(b) if to the Company, shall be delivered or sent by mail, telex or facsimile transmission to the Company at P.O. Box 309 63 SMB, Grand Cayman, Cayman Islands, BWI, Attention: Barbara McDonald.

7.8 Governing Law. This Agreement shall be governed by and construed in accordance with the substantive laws of the Cayman Islands.

7.9 Amendments and Waivers. This Agreement may be amended, modified, superseded or canceled and any of its terms, covenants, representations, warranties, undertakings or conditions may be waived only by an instrument in writing signed by (or by some person duly authorized by) all of the parties hereto or, in the case of a waiver, by the party waiving compliance.

7.10 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to

expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

7.11 Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

7.12 No Violation of Law. This Agreement shall not be construed to require either party to be compelled to do any act or remain in any situation in violation of any law applicable to such party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

PORTFOLIO INVESTMENT COMPANY
LIMITED

By: /s/ Pablo Stalman
Pablo Stalman
Attorney-in-fact

WESTSPHERE EQUITY HOLDINGS, LTD.

By: /s/ Joseph J. Vadapalas
Joseph J. Vadapalas
Attorney-in-fact

WESTSPHERE EQUITY HOLDINGS II, LTD.

By: /s/ Joseph J. Vadapalas
Joseph J. Vadapalas
Attorney-in-fact

WESTSPHERE FUNDING, LTD.

By: /s/ Joseph J. Vadapalas
Joseph J. Vadapalas
Attorney-in-fact

WESTSPHERE FUNDING II, LTD.

By: /s/ Joseph J. Vadapalas
Joseph J. Vadapalas
Attorney-in-fact

CLF, LTD.

By: /s/ Joseph J. Vadapalas
Joseph J. Vadapalas
Attorney-in-fact

WESTSPHERE FUNDING II, L.P.

By: /s/ Joseph J. Vadapalas
Joseph J. Vadapalas
Attorney-in-fact

SCHEDULE I

The following sets forth the names of the Investors and the number of Shares to be purchased by each:

Name	Shares
WestSphere Equity Holdings, Ltd.	21,695
WestSphere Equity Holdings II, Ltd.	1,015
WestSphere Funding, Ltd.	4,875
WestSphere Funding II, Ltd.	13,605
CLF, Ltd.	2,110
Funding II L.P.	6,700
Total	50,000

SCHEDULE II

The following sets forth the securities comprising the Portfolio to be sold by each Investor and the total consideration to be received therefor (adjusted for any assumption of debt):

Investors	Portfolio Consideration	Net Amount
(1) Equity	100,000 USML Shares 1,235,558 USML Shares	US\$3,115,208 US\$665,513 -Debt<2,449,695> 665.513
(2) Equity II	90 Holding Shares	145,775 145,775
(3) Funding	300,018 USML Shares	699,762 149,457 <550,305> -Debt149,457
(4) Funding II	US\$3,350,000 Note	1,953,385 1,953,385
(5) CLF	130,000 USML Shares	303,212 303,212
(6) Funding II, L.P.	412,647 USML Shares	US\$ 962,458 962,458 US\$4,179,800

SCHEDULE III

The following sets forth the persons who hold the Investor Debt and the amount of such debt (principal and interest) held by each such person:

Names	Debt Amount
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SCHEDULE IV

The following sets forth the account numbers for each of the Investors for wiring instructions:

BankAmerica International
335 Madison Avenue
New York, NY
Fedwire Number: 026009593
For Credit: BankAmerica Trust & Banking Corp.
(Cayman) Ltd.
Account No. 19489
For Further Credit: WestSphere Funding Ltd.
Account No. B1752