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NEIMAN MARCUS GROUP INC
Form SC 13D
May 10, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 13D

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

The Neiman Marcus Group, Inc.

(Name of Issuer)

Class B Common Stock, par value \$0.01 per share

(Title of Class of Securities)

640204202

(CUSIP Number)

David Spuria, Esq.
Texas Pacific Group
301 Commerce Street, Suite 3300
Fort Worth, TX 76102
(817) 871-4000

Scott A. Arenare, Esq.
Warburg Pincus LLC
466 Lexington Avenue
New York, NY 10017
(212) 878-0600

With copies to:

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Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
(212) 225-2000

Steven J. Gartner, Esq.
Willkie Farr and Gallagher LLP
787 Seventh Avenue
New York, NY 10019
(212) 728-8000

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

May 1, 2005

(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 ss.ss. 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See ss. 240.13d-7(b) 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.

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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).

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1746 (3-00)

Page 1 of 15 Pages

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SCHEDULE 13D

Page 2 of 15 Pages

- 1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

TPG Advisors III, Inc.
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS

OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware
- | | | | |
|------------------|----|--------------------------|------------------------|
| | 7 | SOLE VOTING POWER | |
| | | | 0 |
| NUMBER OF SHARES | | | |
| BENEFICIALLY | 8 | SHARED VOTING POWER | |
| OWNED BY | | | 6,038,586 (See Item 5) |
| EACH REPORTING | | | |
| PERSON | 9 | SOLE DISPOSITIVE POWER | |
| WITH | | | 0 |
| | 10 | SHARED DISPOSITIVE POWER | |
| | | | 0 |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,038,586 (See Item 5)
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

31.1% (See Item 5)
- 14 TYPE OF REPORTING PERSON

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CO

CUSIP No. 640204202

SCHEDULE 13D

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- 1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

TPG Advisors IV, Inc.
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS

OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware
- | | | | |
|--|----|--------------------------|------------------------|
| | 7 | SOLE VOTING POWER | 0 |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 8 | SHARED VOTING POWER | 6,038,586 (See Item 5) |
| | 9 | SOLE DISPOSITIVE POWER | 0 |
| | 10 | SHARED DISPOSITIVE POWER | 0 |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,038,586 (See Item 5)
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
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31.1% (See Item 5)
- 14 TYPE OF REPORTING PERSON

CO

CUSIP No. 640204202

SCHEDULE 13D

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- 1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Warburg Pincus Private Equity VIII, L.P.

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

| | | |
|------------------|----|--------------------------|
| | 7 | SOLE VOTING POWER |
| | | 0 |
| NUMBER OF SHARES | 8 | SHARED VOTING POWER |
| BENEFICIALLY | | 6,038,586 (See Item 5) |
| OWNED BY | | |
| EACH REPORTING | 9 | SOLE DISPOSITIVE POWER |
| PERSON | | 0 |
| WITH | | |
| | 10 | SHARED DISPOSITIVE POWER |
| | | 0 |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,038,586 (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

31.1% (See Item 5)

14 TYPE OF REPORTING PERSON

PN

CUSIP No. 640204202

SCHEDULE 13D

Page 5 of 15 Pages

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Warburg Pincus LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO

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ITEMS 2(d) or 2(e)

|_ |

6 CITIZENSHIP OR PLACE OF ORGANIZATION

New York

| | | |
|------------------|----|--------------------------|
| | 7 | SOLE VOTING POWER |
| | | 0 |
| NUMBER OF SHARES | | |
| BENEFICIALLY | 8 | SHARED VOTING POWER |
| OWNED BY | | 6,038,586 (See Item 5) |
| EACH REPORTING | | |
| PERSON | 9 | SOLE DISPOSITIVE POWER |
| WITH | | 0 |
| | 10 | SHARED DISPOSITIVE POWER |
| | | 0 |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,038,586 (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES |_ |

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

31.1% (See Item 5)

14 TYPE OF REPORTING PERSON

OO

CUSIP No. 640204202

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Warburg Pincus Partners LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) |_ |
(b) |X |

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) |_ |

6 CITIZENSHIP OR PLACE OF ORGANIZATION

New York

| | | |
|------------------|---|------------------------|
| | 7 | SOLE VOTING POWER |
| | | 0 |
| NUMBER OF SHARES | | |
| BENEFICIALLY | 8 | SHARED VOTING POWER |
| OWNED BY | | 6,038,586 (See Item 5) |

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EACH REPORTING PERSON WITH 9 SOLE DISPOSITIVE POWER 0

10 SHARED DISPOSITIVE POWER 0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
6,038,586 (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
31.1% (See Item 5)

14 TYPE OF REPORTING PERSON
OO

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Warburg Pincus & Co.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
New York

7 SOLE VOTING POWER 0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 8 SHARED VOTING POWER 6,038,586 (See Item 5)

9 SOLE DISPOSITIVE POWER 0

10 SHARED DISPOSITIVE POWER 0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
6,038,586 (See Item 5)

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12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

31.1% (See Item 5)

14 TYPE OF REPORTING PERSON

PN

CUSIP No. 640204202

SCHEDULE 13D

Page 8 of 15 Pages

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Newton Acquisition, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

| | | |
|--|----|---|
| | 7 | SOLE VOTING POWER 0 |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 8 | SHARED VOTING POWER 6,038,586 (See Item 5) |
| | 9 | SOLE DISPOSITIVE POWER 0 |
| | 10 | SHARED DISPOSITIVE POWER 0 |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
6,038,586 (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

31.1% (See Item 5)

14 TYPE OF REPORTING PERSON
CO

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Newton Acquisition Merger Sub., Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

| | | |
|------------------|----|--------------------------|
| | 7 | SOLE VOTING POWER |
| | | 0 |
| NUMBER OF SHARES | | |
| BENEFICIALLY | 8 | SHARED VOTING POWER |
| OWNED BY | | 6,038,586 (See Item 5) |
| EACH REPORTING | | |
| PERSON | 9 | SOLE DISPOSITIVE POWER |
| WITH | | 0 |
| | 10 | SHARED DISPOSITIVE POWER |
| | | 0 |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,038,586 (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

31.1% (See Item 5)

14 TYPE OF REPORTING PERSON

CO

Item 1. Security and Issuer.

This statement on Schedule 13D (the "Schedule 13D") relates to the Class B Common Stock, par value \$0.01 per share (the "Class B Common Stock"), of The Neiman Marcus Group, Inc., a Delaware corporation (the "Company"), whose principal executive offices are located at One Marcus Square, 1618 Main Street, Dallas, Texas 75201.

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Item 2. Identity and Background.

This Schedule 13D is being filed jointly by the following persons (collectively, the "Reporting Persons"): TPG Advisors III, Inc., a Delaware corporation ("Advisors III"), TPG Advisors IV, Inc., a Delaware corporation ("Advisors IV"), Warburg Pincus Private Equity VIII, L.P., a Delaware limited partnership ("WP VIII"), Warburg Pincus Partners LLC, a New York limited liability company ("WP Partners"), Warburg Pincus & Co., a New York general partnership ("WP"), Warburg Pincus LLC, a New York limited liability company ("WP LLC" and, together with WP VIII, WP Partners and WP, the "WP Reporting Persons"), Newton Acquisition, Inc., a Delaware corporation ("Parent"), and Newton Acquisition Merger Sub., Inc., a Delaware corporation ("Merger Sub"). The agreement among the Reporting Persons relating to the joint filing of this statement is attached as Exhibit 1 hereto. Information in this Schedule 13D with respect to each of the Reporting Persons is given solely by that particular Reporting Person and none of the other Reporting Persons has any responsibility for the accuracy or completeness of information with respect to any other Reporting Person.

Advisors III and Advisors IV

The address of the principal business of each of Advisors III and Advisors IV is 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102.

The principal business of Advisors III is serving as the sole general partner of related entities engaged in making investments in securities of public and private corporations.

The principal business of Advisors IV is serving as the sole general partner of related entities engaged in making investments in securities of public and private companies.

The name, residence or business address, and present principal occupation or employment of each director, executive officer and controlling person of each of Advisors III and Advisors IV are described on Schedule I hereto.

Except as otherwise indicated on Schedule I hereto, each of Advisors III and Advisors IV and the individuals referred to on Schedule I hereto is a United States citizen.

During the last five years, none of Advisors III and Advisors IV and, to the knowledge of Advisors III and Advisors IV, none of the executive officers or directors named on Schedule I, has been (1) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (2) 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 violation with respect to such laws.

WP Reporting Persons

The address of the principal business and principal office of each of the WP Reporting Persons is 466 Lexington Avenue, New York, New York 10017.

The principal business of WP VIII is that of making private equity and related investments. The principal business of WP is acting as managing member of WP Partners. The principal business of WP Partners is acting as the general partner of WP VIII and certain related private equity funds, and the principal business of WP LLC is acting as manager of WP VIII and certain related private

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equity funds.

The name, residence or business address, and present principal occupation or employment of each partner, member, director and controlling person of WP Partners, WP and WP LLC are described on Schedule II hereto.

Except as otherwise indicated on Schedule II hereto, each of the WP Reporting Persons and the individuals referred to on Schedule II hereto is a United States citizen.

During the last five years, none of the WP Reporting Persons and, to the knowledge of the WP Reporting Persons, none of the partners, members or directors named on Schedule II, has been (1) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (2) 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 violation with respect to such laws.

Parent and Merger Sub

The address of the principal business of each of Parent and Merger Sub is 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102.

Parent is a newly formed Delaware corporation, formed to serve as the sole stockholder of Merger Sub. Merger Sub is a newly formed Delaware limited liability company formed solely to merge with and into the Company in accordance with the Merger Agreement (as defined in Item 4).

The name, residence or business address, and present principal occupation or employment of each director, executive officer and controlling person of Parent and Merger Sub are described on Schedule III hereto.

Except as otherwise indicated on Schedule III hereto, each of Parent, Merger Sub and the individuals referred to on Schedule III hereto is a United States citizen.

During the last five years, none of Parent and Merger Sub and, to the knowledge of Parent and Merger Sub, none of the executive officers or directors listed on Schedule III, has been (1) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (2) 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 violation with respect to such laws.

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

As an inducement to Parent and Merger Sub to enter into the Merger Agreement (as defined in Item 4), Parent and Merger Sub entered into a Stockholder Agreement, dated as of May 1, 2005 (the "Stockholder Agreement"), with the parties signatory thereto (collectively, the "Stockholders") who are persons and entities related to the family of Richard A. Smith. Parent did not pay additional consideration in connection with the execution and delivery of the Stockholder Agreement. In addition, the Stockholders delivered an irrevocable proxy for the purpose of voting the shares covered by the Stockholder Agreement.

Item 4. Purpose of Transaction.

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On May 1, 2005, Parent, Merger Sub, and the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") providing for the merger (the "Merger") of Merger Sub with and into the Company, which will result in the Company becoming a wholly-owned subsidiary of Parent. Subject to the terms and conditions of the Merger Agreement, at the effective time of the Merger, each share of Class A Common Stock, par value \$0.01 per share, of the Company (the "Class A Common Stock"), Class B Common Stock and Class C Common Stock, par value \$0.01 per share, of the Company (together with the Class A and Class B Common Stock, the "Common Stock") issued and outstanding immediately prior to the effective time of the Merger will be converted into the right to receive \$100.00 in cash (other than shares held in the treasury of the Company or owned by Merger Sub, Parent or any wholly-owned subsidiary of Parent or the Company and other than shares held by a stockholder who properly demands statutory appraisal rights).

In connection with the Merger Agreement, the Stockholders entered into a Stockholder Agreement with Parent and Merger Sub with respect to (i) 16,471 shares of Class A Common Stock and 6,038,586 shares of Class B Common Stock, collectively representing all of the Common Stock beneficially owned by the Stockholders as of the date of the Stockholder Agreement, and (ii) any Common Stock acquired by such Stockholders after the date of the Stockholder Agreement (collectively, the "Covered Shares"). Subject to the terms and conditions of the Stockholder Agreement, each Stockholder has agreed to vote all of the Covered Shares that such Stockholder is entitled to vote (a) to approve and adopt the Merger and the Merger Agreement and (b) against (i) any Acquisition Proposal (as defined in the Merger Agreement), (ii) any extraordinary dividend or distribution by the Company or any subsidiary, (iii) any change in the capital structure of the Company or any of its subsidiaries (other than pursuant to the Merger Agreement) and (iv) any other action that would reasonably be expected to, in any material respect, prevent, impede, interfere with, delay, postpone, frustrate the purposes of or attempt to discourage the transactions contemplated by the Merger Agreement. In addition, each Stockholder agreed that any agreements among the Stockholders or any of them which could be construed to limit their respective rights to enter into or perform under the Stockholder Agreement would be amended to the full extent necessary to assure that entering into and performing under the Stockholder Agreement would be permitted under each such agreement without breach of such agreement.

Each Stockholder irrevocably and unconditionally granted a proxy appointing Parent as such Stockholder's attorney-in-fact and proxy to vote the Covered Shares as described above.

Each Stockholder also agreed not to, without the prior written consent of Parent or Merger Sub, (i) grant any proxies or enter into any voting trust or other agreement or arrangement with respect to the voting of any Covered Shares in a manner inconsistent with the terms of the Stockholder Agreement, (ii) voluntarily take any action that would or is reasonably likely to (A) make any representation or warranty contained therein untrue or incorrect in any material respect or (B) have the effect in any material respect of preventing such Stockholder from performing its obligations under the Stockholder Agreement or (iii) voluntarily sell (as defined in the Stockholder Agreement), assign, transfer, encumber or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to the direct or indirect sale, assignment, transfer, encumbrance or other disposition of, any Covered Shares during the term of the Stockholder Agreement except for transfers (A) to any person or entity who is subject to the Stockholder Agreement or who becomes bound thereby as a Stockholder by operation of law or by becoming party to the Stockholder Agreement or (B) to charitable organizations, provided such shares constitute, in the aggregate (including all shares so transferred to charitable organizations by all Stockholders from May 1, 2005), not more than 250,000

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shares of the outstanding shares of Common Stock (the "Cap"). Any shares transferred to any charitable organization on the terms and conditions of clause (iii) (A) above will not be counted toward the Cap.

Each Stockholder has agreed to not, directly or indirectly, (i) take any action to solicit or initiate any Acquisition Proposal or (ii) engage in negotiations with, or disclose any nonpublic information relating to the Company or any of its subsidiaries or afford access to the properties, books or records of the Company or any of its subsidiaries to, any person that may be considering making, or has made, an Acquisition Proposal or has agreed to endorse an Acquisition Proposal. Each Stockholder has also agreed to promptly notify Parent and Merger Sub after receipt of an Acquisition Proposal or any request for nonpublic information relating to the Company or any of its subsidiaries or for access to the properties, books or records of the Company or any of its subsidiaries by any person that may be considering making, or has made, an Acquisition Proposal and to advise Merger Sub of the status and material details of any such Acquisition Proposal or request. Each Stockholder has further agreed not to exercise any rights to demand appraisal of any Covered Shares in connection with the Merger.

The Stockholder Agreement will terminate upon the earlier to occur of the effective time of the Merger and the termination of the Merger Agreement in accordance with its terms.

The preceding summary of certain provisions of the Merger Agreement and the Stockholder Agreement is not intended to be complete and is qualified in its entirety by reference to the full text of such agreements. A copy of the Merger Agreement was filed as Exhibit 2.1 to a report on Form 8-K filed by the Company on May 4, 2005, and is incorporated herein by reference. A copy of the Stockholder Agreement has been filed herewith as Exhibit 2 to this Schedule 13D and is incorporated herein by reference.

Other than as described above, none of the Reporting Persons has any plans or proposals that relate to or would result in any of the actions described in Item 4 of Schedule 13D (although the Reporting Persons reserve the right to develop such plans).

Item 5. Interest in Securities of the Issuer.

As of the date hereof, neither Parent nor Merger Sub owns any shares of Common Stock. Parent and Merger Sub may, however, be deemed to have shared voting power with respect to 16,471 shares of Class A Common Stock and 6,038,586 shares of Class B Common Stock, which are subject to the Stockholder Agreement described above in Item 4 and which together represent 12.4% of the outstanding Common Stock. Advisors III, Advisors IV, WP VIII, WP Partners, WP and WP LLC are, indirectly, the sole stockholders of Parent. As a result, each of Advisors III, Advisors IV, WP VIII, WP Partners WP and WP LLC may be deemed to beneficially own any shares of Common Stock that may be deemed to be beneficially owned by Parent.

Each of the Reporting Persons disclaims beneficial ownership of any Common Stock. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission that any Reporting Person or any of its affiliates is the beneficial owner of any Common Stock for purposes of Section 13(d) of the Exchange Act or for any other purpose.

Except as disclosed in this Schedule 13D, none of the Reporting Persons, nor (i) to the knowledge of Advisors III and Advisors IV, any of the persons named on Schedule I hereto, (ii) to the knowledge of the WP Reporting Persons, any of the persons named on Schedule II hereto and (iii) to the knowledge of Parent and Merger Sub, any of the persons named on Schedule III

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hereto, as of the date hereof, has power to vote or to direct the vote or to dispose or direct the disposition of any of the shares of Common Stock.

Except as set forth in this Schedule 13D, none of the Reporting Persons, nor (i) to the knowledge of Advisors III and Advisors IV, any of the persons named on Schedule I hereto, (ii) to the knowledge of the WP Reporting Persons, any of the persons named on Schedule II hereto and (iii) to the knowledge of Parent and Merger Sub, any of the persons named on Schedule III hereto, has beneficial ownership of, or has engaged in any transaction during the past 60 days in, any shares of Common Stock.

No Reporting Person has the right to receive dividends from and the proceeds from the sale of any of the Covered Shares that are the subject to the Stockholder Agreement and reported in this Item 5.

Percentages set forth in this Schedule 13D were calculated based on 29,525,199 shares of Class A Common Stock and 19,422,379 shares of Class B Common Stock issued and outstanding as of April 28, 2005, as represented by the Company in the Merger Agreement.

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

Except as set forth in response to other Items of this 13D and the agreements incorporated herein by reference and set forth as exhibits hereto, to the best knowledge of the Reporting Persons, there are no other contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such persons and any person with respect to any securities of the Company, including but not limited to, transfer or voting of any of the securities of the Company, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies, or a pledge or contingency the occurrence of which would give another person voting power over the securities of the Company.

Item 7. Material to be Filed as Exhibits

Exhibit 1 Joint Filing Agreement, dated May 9, among the Reporting Persons, relating to the filing of a joint statement on Schedule 13D.

Exhibit 2 The Stockholder Agreement, dated as of May 1, 2005, by and among Newton Acquisition, Inc., Newton Acquisition Merger Sub., Inc. and the parties signatory thereto.

SIGNATURE

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

Dated: May 9, 2005

TPG ADVISORS III, INC.

By: /s/ David A. Spuria

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Name: David A. Spuria
Title: Vice President and Secretary

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

Dated: May 9, 2005

TPG ADVISORS IV, INC.

By: /s/ David A. Spuria

Name: David A. Spuria
Title: Vice President and Secretary

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement with respect to Warburg Pincus Private Equity VIII, L.P. is true, complete and correct.

Dated: May 9, 2005

WARBURG PINCUS PRIVATE EQUITY VIII, L.P.

By: WARBURG PINCUS PARTNERS LLC,
Its General Partner

By: WARBURG PINCUS & CO.,
Its Managing Member

By: /s/ Scott A. Arenare

Name: Scott A. Arenare
Title: Partner

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

Dated: May 9, 2005

WARBURG PINCUS LLC

By: /s/ Scott A. Arenare

Name: Scott A. Arenare
Title: Managing Director

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

Dated: May 9, 2005

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WARBURG PINCUS & CO.

By: /s/ Scott A. Arenare

Name: Scott A. Arenare

Title: Partner

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

Dated: May 9, 2005

WARBURG PINCUS PARTNERS LLC

By: Warburg Pincus & Co., its Managing Member

By: /s/ Scott A. Arenare

Name: Scott A. Arenare

Title: Partner

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

Dated: May 9, 2005

NEWTON ACQUISITION, INC.

By: /s/ David A. Spuria

Name: David A. Spuria

Title: Vice President and Secretary

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement with respect to Newton Acquisition Merger Sub., Inc. is true, complete and correct.

Dated: May 9, 2005

NEWTON ACQUISITION MERGER SUB., INC.

By: /s/ David A. Spuria

Name: David A. Spuria

Title: Vice President and Secretary

SCHEDULE I

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The name, position, present principal occupation and business address of each director and executive officer of Advisors III and Advisors IV are set forth below.

All individuals listed below are U.S. citizens.

| Name ---- | Position ----- | Business Address ----- |
|-----------------------|---|--|
| David Bonderman | Chairman of the Board of Directors and President of Advisors III and Advisors IV and Director | 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102 |
| James G. Coulter | Director and Vice President of Advisors III and Advisors IV | 345 California Street, Suite 3300, San Francisco, California 94104 |
| William S. Price, III | Director and Vice President of Advisors III and Advisors IV | 345 California Street, Suite 3300, San Francisco, California 94104 |
| James J. O'Brien | Vice President and Assistant Treasurer of Advisors III and Advisors IV | 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102 |
| David A. Spuria | Vice President and Secretary of Advisors III and Advisors IV | 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102 |
| John E. Viola | Vice President and Treasurer of Advisors III and Advisors IV | 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102 |
| Richard A. Ekleberry | Vice President and Assistant Secretary of Advisors III and Advisors IV | 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102 |
| Thoman E. Reinhart | Vice President of Advisors III and Advisors IV | 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102 |
| Jonathan Coslet | Vice President of Advisors III and Advisors IV | 345 California Street, Suite 3300, San Francisco, California 94104 |
| Linda Rogenski | Assistant Secretary of Advisors III, and Advisors IV | 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102 |
| S. Michelle Reese | Assistant Secretary of Advisors III and Advisors IV | 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102 |

SCHEDULE II

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Set forth below is the name, position and present principal occupation of each of the general partners of WP and members of WP LLC. The sole general partner of WP VIII is WP Partners, a subsidiary of WP. Except as otherwise indicated, the business address of each of such persons is 466 Lexington Avenue, New York, New York 10017, and each of such persons is a citizen of the United States.

GENERAL PARTNERS OF WP

| NAME ----- | PRESENT PRINCIPAL OCCUPATION IN ADDITION TO POSITION WITH WP, AND POSITIONS WITH THE WP REPORTING PERSONS ----- |
|---------------------|--|
| Joel Ackerman | Partner of WP; Member and Managing Director of WP LLC |
| Scott A. Arenare | Partner of WP; Member and Managing Director of WP LLC |
| Gregory Back | Partner of WP; Member and Managing Director of WP LLC |
| David Barr | Partner of WP; Member and Managing Director of WP LLC |
| Larry Bettino | Partner of WP; Member and Managing Director of WP LLC |
| Harold Brown | Partner of WP; Member and Managing Director of WP LLC |
| Sean D. Carney | Partner of WP; Member and Managing Director of WP LLC |
| Mark Colodny | Partner of WP; Member and Managing Director of WP LLC |
| Timothy J. Curt | Partner of WP; Member and Managing Director of WP LLC |
| W. Bowman Cutter | Partner of WP; Member and Managing Director of WP LLC |
| Cary J. Davis | Partner of WP; Member and Managing Director of WP LLC |
| Oliver M. Goldstein | Partner of WP; Member and Managing Director of WP LLC |
| Michael Graff | Partner of WP; Member and Managing Director of WP LLC |
| Patrick T. Hackett | Partner of WP; Member and Managing Director of WP LLC |
| Jeffrey A. Harris | Partner of WP; Member and Managing Director of WP LLC |
| Stewart J. Hen | Partner of WP; Member and Managing Director of WP LLC |
| William H. Janeway | Partner of WP; Member and Vice Chairman of WP LLC |
| Julie A. Johnson | Partner of WP; Member and Managing Director of WP LLC |
| Peter R. Kagan | Partner of WP; Member and Managing Director of WP LLC |
| Charles R. Kaye | Managing General Partner of WP; Managing Member and Co-President of WP LLC |
| Henry Kressel | Partner of WP; Member and Managing Director of WP LLC |
| Joseph P. Landy | Managing General Partner of WP; Managing Member and Co-President of WP LLC |
| Sidney Lapidus | Partner of WP; Member and Managing Director of WP LLC |

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| | |
|-------------------------|---|
| Kewsong Lee | Partner of WP; Member and Managing Director of WP LLC |
| Jonathan S. Leff | Partner of WP; Member and Managing Director of WP LLC |
| Reuben S. Leibowitz | Partner of WP; Member and Managing Director of WP LLC |
| Rodman W. Moorhead III | Partner of WP; Member and Managing Director of WP LLC |
| James Neary | Partner of WP; Member and Managing Director of WP LLC |
| Dalip Pathak | Partner of WP; Member and Managing Director of WP LLC |
| Lionel I. Pincus | Partner of WP; Member and Chairman of WP LLC |
| Michael F. Profenius | Partner of WP; Member and Managing Director of WP LLC |
| Stan Raatz | Partner of WP; Member and Managing Director of WP LLC |
| Henry B. Schacht | Partner of WP; Member and Managing Director of WP LLC |
| Steven G. Schneider | Partner of WP; Member and Managing Director of WP LLC |
| Mimi Strouse | Partner of WP; Member and Managing Director of WP LLC |
| Barry Taylor | Partner of WP; Member and Managing Director of WP LLC |
| Christopher H. Turner | Partner of WP; Member and Managing Director of WP LLC |
| John L. Vogelstein | Partner of WP; Member and Vice Chairman of WP LLC |
| John R. Vrolyk | Partner of WP; Member and Managing Director of WP LLC |
| Elizabeth H. Weatherman | Partner of WP; Member and Managing Director of WP LLC |
| David J. Wenstrup | Partner of WP; Member and Managing Director of WP LLC |
| Rosanne Zimmerman | Partner of WP; Member and Managing Director of WP LLC |
| Pincus & Company LLC* | |
| NL & Co.** | |

* New York limited liability company; primary activity is ownership interest in WP and WP LLC

** New York limited partnership; primary activity is ownership interest in WP.

MEMBERS OF WP LLC

PRESENT PRINCIPAL OCCUPATION IN ADDITION
TO POSITION WITH WP LLC, AND POSITIONS
WITH THE WP REPORTING PERSONS

NAME

| | |
|---------------|---|
| Joel Ackerman | Member and Managing Director of WP LLC; Partner of WP |
|---------------|---|

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| | |
|-------------------------|--|
| Scott A. Arenare | Member and Managing Director of WP LLC; Partner of WP |
| Gregory Back | Member and Managing Director of WP LLC; Partner of WP |
| David Barr | Member and Managing Director of WP LLC; Partner of WP |
| Larry Bettino | Member and Managing Director of WP LLC, Partner of WP |
| Harold Brown | Member and Managing Director of WP LLC; Partner of WP |
| Sean D. Carney | Member and Managing Director of WP LLC; Partner of WP |
| Stephen John Coates (1) | Member and Managing Director of WP LLC |
| Mark Colodny | Member and Managing Director of WP LLC; Partner of WP |
| Timothy J. Curt | Member and Managing Director of WP LLC; Partner of WP |
| W. Bowman Cutter | Member and Managing Director of WP LLC; Partner of WP |
| Cary J. Davis | Member and Managing Director of WP LLC; Partner of WP |
| Oliver M. Goldstein | Member and Managing Director of WP LLC; Partner of WP |
| Michael Graff | Member and Managing Director of WP LLC; Partner of WP |
| Patrick T. Hackett | Member and Managing Director of WP LLC; Partner of WP |
| Jeffrey A. Harris | Member and Managing Director of WP LLC; Partner of WP |
| Stewart J. Hen | Member and Managing Director of WP LLC; Partner of WP |
| Sung-Jin Hwang (2) | Member and Managing Director of WP LLC |
| William H. Janeway | Member and Vice Chairman of WP LLC; Partner of WP |
| Julie A. Johnson | Member and Managing Director of WP LLC; Partner of WP |
| Peter R. Kagan | Member and Managing Director of WP LLC; Partner of WP |
| Charles R. Kaye | Managing Member and Co-President of WP LLC; Managing General Partner of WP |
| Rajesh Khanna (3) | Member and Managing Director of WP LLC |
| Henry Kressel | Member and Managing Director of WP LLC; Partner of WP |
| Joseph P. Landy | Managing Member and Co-President of WP LLC; Managing General Partner of WP |
| Sidney Lapidus | Member and Managing Director of WP LLC; Partner of WP |
| Kewsong Lee | Member and Managing Director of WP LLC; Partner of WP |
| Jonathan S. Leff | Member and Managing Director of WP LLC; Partner of WP |
| Reuben S. Leibowitz | Member and Managing Director of WP LLC; Partner of WP |
| David Li (4) | Member and Managing Director of WP LLC |
| Nicholas J. Lowcock (1) | Member and Managing Director of WP LLC |

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| | |
|--------------------------|---|
| John W. MacIntosh (5) | Member and Managing Director of WP LLC |
| Rodman W. Moorhead III | Member and Managing Director of WP LLC; Partner of WP |
| James Neary | Member and Managing Director of WP LLC; Partner of WP |
| Bilge Ogut (6) | Member and Managing Director of WP LLC |
| Dalip Pathak | Member and Managing Director of WP LLC; Partner of WP |
| Lionel I. Pincus | Member and Chairman of WP LLC; Partner of WP |
| Pulak Chandan Prasad (3) | Member and Managing Director of WP LLC |
| Michael F. Profenius | Member and Managing Director of WP LLC; Partner of WP |
| Stan Raatz | Member and Managing Director of WP LLC; Partner of WP |
| Henry B. Schacht | Member and Managing Director of WP LLC; Partner of WP |
| Steven G. Schneider | Member and Managing Director of WP LLC; Partner of WP |
| Joseph C. Schull (5) | Member and Managing Director of WP LLC |
| Mimi Strouse | Member and Managing Director of WP LLC; Partner of WP |
| Chang Q. Sun (4) | Member and Managing Director of WP LLC |
| Barry Taylor | Member and Managing Director of WP LLC; Partner of WP |
| Christopher H. Turner | Member and Managing Director of WP LLC; Partner of WP |
| John L. Vogelstein | Member and Vice Chairman of WP LLC; Partner of WP |
| John R. Vrolyk | Member and Managing Director of WP LLC; Partner of WP |
| Elizabeth H. Weatherman | Member and Managing Director of WP LLC; Partner of WP |
| David J. Wenstrup | Member and Managing Director of WP LLC; Partner of WP |
| Peter Wilson (1) | Member and Managing Director of WP LLC |
| Jeremy S. Young (1) | Member and Managing Director of WP LLC |
| Rosanne Zimmerman | Member and Managing Director of WP LLC; Partner of WP |
| Pincus & Company LLC* | |

- (1) Citizen of United Kingdom
- (2) Citizen of Korea
- (3) Citizen of India
- (4) Citizen of Hong Kong
- (5) Citizen of Canada
- (6) Citizen of Turkey

* New York limited liability company; primary activity is ownership interest in WP and WP LLC

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The name, position, present principal occupation and business address of each director and executive officer of Parent and Merger Sub are set forth below.

All individuals listed below are U.S. citizens.

| Name ---- | Position ----- | Business Address ----- |
|-------------------|---|--|
| David Bonderman | Director and President of Parent and Merger Sub | 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102 |
| James G. Coulter | Director and Senior Vice President of Parent and Merger Sub | 345 California Street, Suite 3300, San Francisco, California 94104 |
| William S. Price | Director and Senior Vice President of Parent and Merger Sub | 345 California Street, Suite 3300, San Francisco, California 94104 |
| Kewsong Lee | Senior Vice President of Parent and Merger Sub | 466 Lexington Avenue, New York, New York 10017 |
| John E. Viola | Vice President and Treasurer of Parent and Merger Sub | 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102 |
| Jonathan Coslet | Senior Vice President of Parent and Merger Sub | 345 California Street, Suite 3300, San Francisco, California 94104 |
| Oliver Goldstein | Director, Vice President and Assistant Treasurer of Parent and Merger Sub | 466 Lexington Avenue, New York, New York 10017 |
| Carrie Wheeler | Vice President of Parent and Merger Sub | 345 California Street, Suite 3300, San Francisco, California 94104 |
| David Barr | Director and Senior Vice President of Parent and Merger Sub | 466 Lexington Avenue, New York, New York 10017 |
| David A. Spuria | Vice President and Secretary of Parent and Merger Sub | 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102 |
| Tim Curt | Vice President of Parent and Merger Sub | 466 Lexington Avenue, New York, New York 10017 |
| Linda Rogenski | Assistant Secretary of Parent and Merger Sub | 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102 |
| S. Michelle Reese | Assistant Secretary of Parent and Merger Sub Texas 76102 | 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102 |

