

Sheinberg, Samuel I.

From: HSRHelp
Sent: Tuesday, March 29, 2022 11:56 AM
To: Walsh, Kathryn E.; Berg, Karen E.; Shaffer, Kristin; Sheinberg, Samuel I.; Six, Anne; Whitehead, Nora
Subject: FW: Item 3(a) Question

From: Musick, Vesselina <vmusick@ftc.gov>
Sent: Tuesday, March 29, 2022 11:56:22 AM (UTC-05:00) Eastern Time (US & Canada)
To: [REDACTED]
Cc: HSRHelp <HSRHelp@ftc.gov>
Subject: RE: Item 3(a) Question

List only the acquired entities in Item 3a - in your case that would be X, Y, and Z. Subsidiaries of the acquired entities must be listed in Item 6a. Thanks for checking.

Kind regards.

Vesselina Musick

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From: HSRHelp <HSRHelp@ftc.gov>
Sent: Tuesday, March 29, 2022 9:55 AM
To: Walsh, Kathryn E. <kwash@ftc.gov>; Berg, Karen E. <KBERG@ftc.gov>; Musick, Vesselina <vmusick@ftc.gov>; Shaffer, Kristin <kshaffer@ftc.gov>; Sheinberg, Samuel I. <SSHEINBERG@ftc.gov>; Six, Anne <asix@ftc.gov>; Whitehead, Nora <nwhitehead@ftc.gov>
Subject: FW: Item 3(a) Question

From: [REDACTED]
Sent: Tuesday, March 29, 2022 9:54:45 AM (UTC-05:00) Eastern Time (US & Canada)
To: HSRHelp <HSRHelp@ftc.gov>
Subject: Item 3(a) Question

I have what I hope is a simple question regarding Item 3(a).

Party A is buying 80% of the non-corporate interests of X, Y and Z from a common ultimate parent entity in a reportable transaction.

Z holds 50% or more, but less than 100%, of 9 subsidiaries, which are a mix of corporations and LLCs. Those interests will be indirectly acquired via the acquisition of Z's non-corporate interests, but the subsidiary interests are not being directly acquired in the transaction. They simply will convey with the acquisition of the controlling interest in Z.

The instructions to Item 3(a) permit one to exclude "wholly owned" subsidiaries of an acquired entity; I've been presented with a draft 3(a) description which includes all 9 of these subsidiaries as "acquired entities" in addition to X, Y, Z and their UPE.

I think it clutters the filing and doesn't reflect the underlying transaction – which involves X, Y, and Z and not a direct acquisition of the 9 subsidiary interests.

Do we need to list the 9 subsidiaries in Item 3(a)? If that's the right approach, I'll simply add them to Item 3(a). I just want to get it right. Thanks!

