

Johnson, Janice C.

From: [REDACTED]
Sent: Friday, November 02, 2012 3:08 PM
To: Johnson, Janice C.
Subject: RE: Deal inquiry about application of HSR to the situation

That is correct. That is their rollover investment in newco by the seller and their management group.

From: Johnson, Janice C. [mailto:JCJOHNSON@ftc.gov]
Sent: Friday, November 02, 2012 2:06 PM
To: [REDACTED]
Subject: RE: Deal inquiry about application of HSR to the situation

[REDACTED], the purpose of \$15MM back into the company has nothing to do with paying off debt, but to obtain the 36% interest?

From: [REDACTED]
Sent: Friday, November 02, 2012 12:00 PM
To: Johnson, Janice C.
Subject: Deal inquiry about application of HSR to the situation

Ms. Johnson,
As I explained to you I have a client that is selling their company for \$80 million. The transaction is an asset purchase by the acquirer.
At the close of the transaction the seller and certain of the key management team will invest \$15 million of the proceeds back into the new company that will be the ongoing company from the date of the transaction. The seller group that invests the \$15 million back into the new company will own approx. 36% of the new entity.
I would like to have the FTC tell me if Hart Scott Rodino applies to this transaction as it will delay the deal for the 30 day window from the filing of the fees that would apply if this transaction is subject to HSR.
The net on the deal to sell is \$65 million so we need to understand whether or not HSR does apply.
Thank you in advance for your help.

11-2-12

Informed writer that there are two transactions here. The transaction value of the first is \$80MM, in which the business is being sold. The other transaction is the reinvestment of \$15MM by the seller group into the company.

J Johnson
K. Berg concerns