

802.50
802.51

Verne, B. Michael

From: [REDACTED]
Sent: Tuesday, September 24, 2013 1:19 PM
To: Verne, B. Michael
Subject: accounts receivable

Mike, just wanted to clarify guidance regarding accounts receivables from this informal interpretation:
<http://www.ftc.gov/bc/hsr/informal/opinions/9504003.htm>

"The location of the accounts receivable is not the jurisdiction of the debtor but the physical location of the AR (Census approach)."

In my hypothetical, Corporation A (a U.S. company) has two customers, one in Taiwan and one in Germany. Each legally owes Corporation A \$10m, which is reflected on Corporation A's balance sheet (Accounts Receivable, \$20m).

Corporation A is contemplating being acquired by another party, or selling all of its assets to that other party. For purposes of 802.50 and 802.51, we read the referenced interpretation to mean that Corporation A's accounts receivable is a U.S. asset because it is on the balance sheet of a U.S. company and the U.S. company owns them, regardless of the fact that the debtors are foreign or that the sales may have been transacted in a foreign country. Please confirm.

Thanks.

[REDACTED]

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JURISDICTION WHERE THE A/R WOULD BE ENFORCED
IF DEFAULT OCCURS. PRESUMABLY THE LOCATION OF
THE ENTITY THAT HAS THE A/R ON ITS BOOKS.

Bm
9/24/13

KW CONCURS

4