

Haynes, Lanea

From: [REDACTED]
Sent: Thursday, December 21, 2017 9:45 AM
To: Walsh, Kathryn E.; Berg, Karen E.; Carson, Timothy; Gillis, Diana L.; Shaffer, Kristin; Sheinberg, Samuel I.; Whitehead, Nora
Subject: FW: Question about Asset Valuation

From: Sheinberg, Samuel I.
Sent: Thursday, December 21, 2017 9:45:19 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Question about Asset Valuation
Auto forwarded by a Rule

[REDACTED]

The board can determine that the value is in excess of \$807.5 million.

Happy holidays,
Sam

From: [REDACTED]
Sent: Wednesday, December 20, 2017 5:38 PM
To: Walsh, Kathryn E.; Berg, Karen E.; Carson, Timothy; Gillis, Diana L.; Shaffer, Kristin; Sheinberg, Samuel I.; Whitehead, Nora
Subject: FW: Question about Asset Valuation

From: [REDACTED]
Sent: Wednesday, December 20, 2017 5:37:17 PM
To: [REDACTED]
Subject: Question about Asset Valuation
Auto forwarded by a Rule

Dear Sir or Madam,

I hope you confirm something for me.

A, the acquiring party, will become the sole member of a large non-profit corporation B. Under 801.2(f)(3), this is an asset acquisition. A will pay no consideration for the assets. Under 801.10(b) and 801.10(c)(3), A's Board has to determine the fair market value of the assets acquired. The book value of the non-exempt assets of B is in the billions, and any reasonable estimate of the fair market value would be far greater than \$807.5 million.

The attached article from 2002 written by Malcolm Pfunder indicates that an acquiring person may concede that a transaction is valued at more than the \$500 million threshold, as adjusted, and pay the highest filing fee.

Is that still the PNO's position? Can A stipulate that the value of the transaction is greater than \$807.5 million and pay the \$280,000 filing fee? If it stipulates, is A's Board relieved of the obligation to make a good faith estimate of the assets of B? If a stipulation is not allowed, can A's Board estimate that the value of B's assets are a range, i.e. "greater than \$807.5 million?"

Thank you in advance for your assistance.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]