

From: [REDACTED]  
To: "Mike Verne (E-mail)" <mverne@ftc.gov>  
Date: 1/15/02 3:56PM  
Subject: Question

Mike:

In the case of a two step transaction, where the first step involves the sale/purchase of about \$40 M in stock of a company, followed by a merger agreement in which the acquiring party acquires the remaining stock outstanding for \$15-20 million or so, would the FTC require that these transactions be collapsed, assuming that (1) both agreements will be signed together at the closing; (2) payments will occur fairly closely in time; and (3) size of person are met?

[REDACTED]

WRITER ADVISED THAT STEP ONE WOULD RESULT IN BUYER HOLDING IN EXCESS OF 50% OF THE V/S OF SELLER.

WE WOULD VIEW ENTERING INTO THE TWO AGREEMENTS AT THE SAME TIME (THEY ARE ALSO CONDITIONED ON ONE ANOTHER) THE SAME AS ENTERING INTO A SINGLE AGREEMENT FOR 100% OF THE V/S OF ISSUES.

FILE FOR A \$55MM - \$60MM ACQUISITION OF V/S. N. OVUKA CONCURS.

B. Michael Verne  
1/15/02