

Verne, Michael

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From: [REDACTED]  
Sent: Thursday, September 04, 2003 11:28 AM  
To: Verne, Michael  
Subject: 802.1 question

Hi, Mike:

I wanted to check with you on the interpretation of 802.1. Suppose that A is going to acquire from B a grocery store (as in example 1) and the store has a large current inventory of grocery products to be sold. I understand that the store would be an "operating unit," but I am wondering if you use 802.1(c)(1) to back out the value of the groceries that are in the store's inventory.

I'd appreciate your thoughts.

Thanks,  
[REDACTED]  
[REDACTED]  
tel: [REDACTED]

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Thank you.

ADVISED THAT INVENTORY CANNOT BE EXEMPTED  
BY 802.1 IF IT IS BEING ACQUIRED AS PART  
OF AN OPERATING UNIT.

B. Michael

9/4/03