

Verne, B. Michael

From: [Redacted]
Sent: Friday, December 02, 2005 11:05 AM
To: Verne, B. Michael
Subject: HSR Question

> Hi, Mike.

>
> I have a question regarding a restructuring. 3 current shareholders of a
> target, T, are going to slightly restructure their holdings in T, and they
> are creating an intermediary holding company, H, to do so. H does not and
> will not hold anything else besides the shares of T, and some cash that
> will be used to purchase outstanding public shares of T.

>
> The current shareholders are A, B and C. A and B currently hold 4.3% of
> the shares of T directly. C holds 71.4% of T directly. The rest of the
> shares (20%) are public.

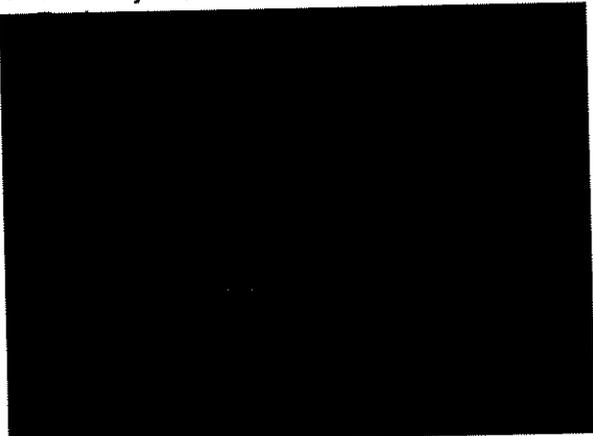
>
> A and B will create H, and A, B and C will contribute their shares of T to
> it. A and B will contribute money to H to buy the outstanding public
> shares, and will buy some additional shares in T from C.

>
> After the transaction is over, the ownership of H will be as follows:
> A: 24.5% which equals \$14.6 M in shares in T (indirectly)
> B: 24.5% which equals \$14.6 M in shares in T (indirectly)
> C: 51% which equals \$30.3 M in shares in T (indirectly)

>
> Given that C controls H, which controls T, it could be considered to hold
> 100% of T. However, as C already controlled T, I think no filing is
> required under 802.10(b)(2)(ii) or under 802.21. I think no filings are
> required for A or B since neither acquisition meets the size of
> transaction test.

>
> I'd be very grateful if you would confirm that my analysis is correct.

>
> Thank you,



AGREE - C IS EXEMPT UNDER
802.10. A & B DO NOT
MEET THE SIZE-OF-TRANSACTION.

B. Michael
12/2/02