

Hi Mike,

802.4

I have a question about the applicability of 802.4. Below are a set of stylized facts. I wanted to discuss this scenario with you whenever you get a chance. My telephone number is [REDACTED]

- * Company X is an investment company registered under the 1940 Act
- * Company Y is also an investment company registered under the 1940 Act
- * Company X and Company Y are their own UPEs.
- * Each of Company X and Company Y are managed by investment advisers, who do not control Company X or Y respectively.
- * Neither Company X nor Company Y control any other entities.
- * Neither Company X nor Company Y have any minority investments in issuers that are valued at above \$53.1 million.

- * Company X intends to purchase 100% of the voting securities of Company Y. As consideration for the acquisition, Company X intends to provide Company Y's shareholders with shares of Company X's stock.
- * Assume that the size of person test and size of transaction test are satisfied.

- * All of the assets of Company X and of Company Y consist of cash, money market funds, and voting and non-voting securities, the acquisition of which assets would, I believe be exempt under 801.21 of the HSR Act.

My question is whether the acquisition of Company Y's stock by Company X would be exempt under 802.4. Similarly, is the acquisition of Company X's stock by Company Y exempt under 802.4?

Thank you Mike,

[REDACTED]

The acquisition of Y by X is exempt under 802.4. Because none of the minority holdings of Y exceed \$53.1 MM in value, there are no potentially reportable secondary acquisitions either. The acquisition of X voting securities by Y's shareholders would likewise be exempt under 802.4.

B. [Signature]
1/27/06