

Verne, B. Michael

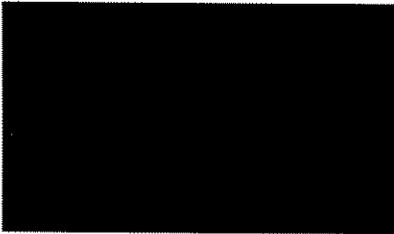
ITEM 5

From: [REDACTED]
Sent: Thursday, June 29, 2006 5:26 PM
To: Verne, B. Michael
Subject: Item 5 Question

Mike,

I have a question about certain non-U.S. sales: A U.S. company ("Parent") controls a non-U.S. manufacturing subsidiary ("Foreign Sub") and a U.S. sales subsidiary ("Sales Sub"). Foreign Sub manufactures a product in South America and sells it to a purchaser in Europe. The sale is arranged by Sales Sub (a U.S. establishment), and the purchase price is received by Sales Sub. But the product itself never enters the U.S. Would Parent report the revenues from this sale in Item 5 under wholesaling codes, or omit it entirely?

Thanks,



BECAUSE THE PRODUCT NEVER PHYSICALLY PASSES THROUGH A U.S. ESTABLISHMENT, IT WOULD BE EXCLUDED FROM ITEM 5.

Burch
6/29/06

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