

From: [Redacted]
Sent: Tuesday, January 02, 2007 4:05 PM
To: Verne, B. Michael
Subject: HSR question

Mike,

I have a client that is acquiring 100% of the non-corporate interests in an entity, where approximately \$30-\$40 million in cash will be paid at closing and an additional amount paid out within 1-2 years based on the acquired entity reaching certain revenue targets. In no event shall such future payments exceed approximately \$40 million. Given the contingent nature of the consideration being paid for the non-corporate interests, I have concluded that the purchase price has not been determined, and that the value of the transaction should be the fair market value of the interests being acquired. Based on the above figures, I would place that value somewhere between \$30 million and \$80 million (more likely \$60-\$70 million). The client is fairly certain that if a fair market value analysis were conducted, the value would exceed the current HSR filing threshold. However, the client would prefer to go ahead and file without undertaking that analysis. In estimating the value of the transaction for the filing, the client would instead rely on a good faith estimate.

My question is whether the client's good faith estimate of the fair market value of the non-corporate interests being acquired is sufficient for HSR purposes without actually performing any fair market valuation. Thus, Item 2(e) of the form would be left blank. As you can gather from above, there is no risk that the fair market value would exceed the next filing threshold. Thanks for your assistance.

Regards,

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OK -
[Signature]
1/2/07

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Associated Offices: [Redacted]