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Verne, B. Michael

From: [REDACTED]
Sent: Wednesday, March 07, 2007 6:34 PM
To: Verne, B. Michael
Subject: 802.2(e)

I have a transaction in which Buyer A is buying the stock of Co B. B owns and operates hotels, with no casinos or ski facilities. B also owns trademarks for its hotels and licenses the name to third-parties who operate franchises under the hotel name. B no doubt receives revenue from these licenses that probably is significant. In this transaction, A will buy B and one second later will sell the intellectual property and franchise agreements of B to C so that A essentially becomes a franchisee of C.

Two issues. Would you regard the ip associated with the licenses and franchise agreements to third-parties as non-exempt?. If it is not exempt, and if the value exceeds the jurisdictional threshold, would you apply the transitory rule here to require only filings by B and C, as the interests acquired and held by A all would be exempt?

I look forward to your response and hope all is well with you.

Best regards,

[REDACTED]

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Yes - the trademark and franchise agreements would be non-exempt assets. Only B and C would be required to file.

Bruce
3/7/07