

7A(c)(4)
801.4

Verne, B. Michael

From: [REDACTED]
Sent: Monday, January 07, 2008 8:52 PM
To: Verne, B. Michael
Subject: Secondary Acquisition

Mike,

A state pension fund (which is a state agency) owns more than 50% of the interests in a limited partnership (the "Partnership"). The Partnership owns voting securities of various corporations. The pension fund proposes to sell all of its interests in the Partnership to a buyer that is not a state agency.

I assume the acquisition of a majority interest in the Partnership is exempt from HSR requirements under Section 7A(c)(4) of the Act.

1. If the Partnership holds more than 50% of the voting securities of a corporation, is the indirect acquisition of those voting securities potentially reportable or is it also exempt under Section 7A(c)(4)? This is not a secondary acquisition under the definition of Rule 801.4 since the corporation is controlled by the Partnership.
2. If the Partnership holds voting securities of an entity it does not control, is the indirect acquisition of that minority interest potentially reportable as a secondary acquisition or is it also exempt under Section 7A(c)(4)?

Please let me know your views.

Many thanks,

[REDACTED]

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1. The indirect acquisition of more than 50% of the voting securities of the corporation would still be exempt because the acquired person is the state agency which is not an entity.

2. The secondary acquisition of less than 50% of the corporation is not covered by 7A(c)(4) because the acquired person for that acquisition is either the corporation itself or another UPE (which I'm assuming would not be a state agency).

BM
1/8/02