

801.11(e)

Verne, B. Michael

From: [REDACTED]
Sent: Wednesday, June 25, 2008 12:46 PM
To: Verne, B. Michael
Subject: 801.11(e) Question

Mike,

In an acquisition of noncorporate interests, where the transaction value is less than \$200 million (as adjusted), the acquiring person currently holds less than 50% of the interests in the acquired noncorporate entity but the proposed transaction would cause the acquiring person to go over 50% of the acquired entity. The acquiring person has no regularly prepared financial statements.

When determining the total assets of the acquiring person, can we exclude the value of the noncorporate interests currently held in the acquired entity?

Many thanks,

[REDACTED]

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Yes - we have taken the position that minority non-corporate interests are treated the same as voting securities for purposes of 801.11(e). We read "securities of the acquired person" to include LP and LLC interests.


6/25/08