

802.1 (d)
802.30**Verne, B. Michael**

From: Verne, B. Michael
Sent: Wednesday, April 20, 2011 12:30 PM
To: [REDACTED]
Subject: RE: Sorry to bother you

- 1) 802.30 would apply to the UPE that currently holds the assets, but not the other UPE
- 2) You would look at the used durable good exemption – § 802.1(d)

From: [REDACTED]
Sent: Wednesday, April 20, 2011 11:13 AM
To: Verne, B. Michael
Subject: RE: Sorry to bother you

Mike two follow-ups if you don't mind.

1. Looking at the scenario below, if the Corporation has two UPEs (one by having 50% stock and the other either by 50% irrevocable proxy or right to 50% of board), then if Corporation is a buyer of assets controlled by just one of the UPEs ("A"), then does 802.30 not apply?
2. If the asset was a cruise ship and the buyer was a cruise line, is there a general ordinary course of business exemption, or do you look at the specific used durable goods exemption?

many thanks.

From: Verne, B. Michael [mailto:MVERNE@ftc.gov]
Sent: Tuesday, April 19, 2011 1:09 PM
To: [REDACTED]
Subject: RE: Sorry to bother you

However, if the proxy is irrevocable, both A and B would be UPEs

From: [REDACTED]
Sent: Tuesday, April 19, 2011 12:48 PM
To: Verne, B. Michael
Subject: Sorry to bother you

I think an old question, but to be sure: A person ("A") holds 50% of the voting securities of a Corporation. "A" has granted a proxy to another person ("B") to vote these shares (does it matter if revocable or irrevocable?). I think the view is that "A" still controls the Corporation, ie, still an UPE. Correct? thanks.

Bm
4/20/11