

802.4

Verne, B. Michael

From: [REDACTED]
Sent: Thursday, October 20, 2011 12:27 PM
To: Verne, B. Michael
Subject: quick question

Hi, Mike.

Quick question. I don't think I've seen an informal interpretation that addresses this. Can you use 802.4 in the context of a minority acquisition? All of the examples and interpretations seem to contemplate obtaining control.

Thanks,

[REDACTED]

[REDACTED]

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Yes – you can use it on a minority acquisition of voting securities, but you can't value the non-exempt assets pro rata to the percentage you are acquiring. You still need to value 100% of the non-exempt assets.

BM
10/20/11