

Verne, B. Michael

801-10

From: [REDACTED]
Sent: Tuesday, November 22, 2011 4:09 PM
To: Verne, B. Michael
Subject: Size-of-the-Transaction Analysis

Dear Mike,

This e-mail is written to summarize and to confirm the guidance and informal opinions that you shared with me during our phone conversation on Tuesday, November 22, 2011 regarding the "Size-of-the-Transaction" analysis under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and the Commission's implementing regulations thereunder.

As I described in our phone conversation, Corporate Parent intends to sell 100% of the issued and outstanding non-corporate interests of its Subsidiary through a sale of Subsidiary's limited liability company interests to Buyer. (Subsidiary's non-corporate interests are neither traded on a national securities exchange or quoted in an interdealer quotation system of a national securities association registered with the SEC.) As currently proposed, Buyer would pay to Corporate Parent a purchase price (the "Purchase Price") in an amount equal to \$30 million plus an amount equal to the net working capital of Subsidiary as of the closing date (which is currently estimated to be approximately \$55 million), all on a "cash-free/debt free" basis. Subsidiary currently maintains approximately \$49 million in bona fide inter-company debt owed to a "sister" company of Corporate Parent, which debt would be repaid at the closing out of the Purchase Price. Accordingly, of the approximately \$85 million Purchase Price, the anticipated aggregate amount to be paid to Corporate Parent for Subsidiary's non-corporate interests will be approximately \$36 million.

During our phone call, you confirmed that for purposes of the Size-of-the-Transaction analysis, it is the position of the FTC Premerger Notification Office that in the acquisition of voting securities (or non-corporate interests) amounts paid for the pay-off of debt owed by a target should not be included in the valuation. See ABA Section of Antitrust Law, Premerger Notification Manual, Interpretation No. 93 (3d Ed. 2003). You also confirmed that the FTC Premerger Notification Office's position on the issue is the same, regardless of whether that indebtedness is owed to a third-party or to an affiliate of the target or the target's parent. Accordingly, the "size" of the proposed transaction described above will be less than the current jurisdictional threshold of \$66.0 million.

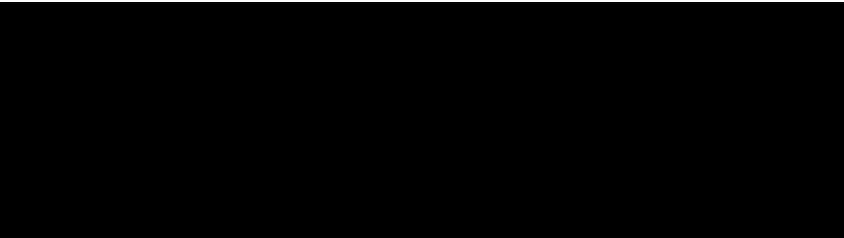
We understand that the FTC Premerger Notification Office staff concurs with this interpretation of the HSR Act and its implementing rules and regulations.

Please let us know if you have any questions concerning this e-mail or if you require any additional information. If you disagree with the above analysis in any manner whatsoever, please call me at your earliest convenience to discuss the issues in further detail.

As always, we very much appreciate your attention to this matter.

Best regards,

AGNEE -
Bm
11/28/11



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