

Johnson, Janice C.

802.51(b)

From: [REDACTED]
Sent: Friday, August 24, 2012 3:32 PM
To: Johnson, Janice C.
Subject: Foreign exemption

This transaction is exempt
under 802.51(b).
When exempt under 802.51(b), there
is no need to apply the test
in 802.51(c).

Janice

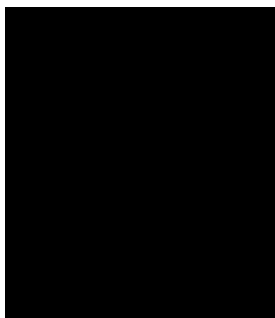
I would appreciate your view on whether a transaction is exempt from a filing.

J. Johnson
M. Verne
concur

1. This is a foreign-to-foreign acquisition with the buyer and target both having US sales or assets.
2. Assume foreign buyer A has sales or assets of \$1 billion in the US. Foreign target B has a US sub B-I that has sales or assets less than \$68.2 million.
3. It seems that this transaction is exempt under 802.51(b).
4. The client is apprehensive because 802.51(c) implies that the exemption exists only if the combined sales and assets are less than \$150 million. Here, we assume the combined sales or assets to be over \$1 billion (even though the target's share is than \$68.2 million).
5. However, I understand that 802.51(b) triggers a filing only when the target exceeds the \$68.2 million threshold, and that the buyer's sales and assets in the US do not affect the analysis.

Can you please confirm that this is correct?

Thank you,



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