

861,10

**Verne, B. Michael**

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**From:** [REDACTED]  
**Sent:** Monday, November 19, 2012 7:51 PM  
**To:** Verne, B. Michael; Walsh, Kathryn  
**Cc:** [REDACTED]  
**Subject:** HSR Question re Use of Proceeds to Pay Down Debt of Parent

November 19, 2012

R. Michael Verne & Kathryn Walsh, Esq.  
Federal Trade Commission  
Premerger Notification Office  
601 Pennsylvania Avenue NW  
Washington, DC 20580

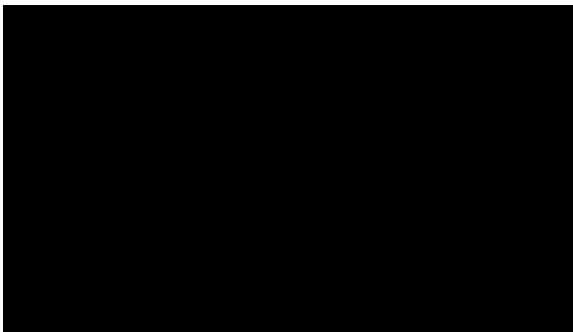
Re: HSR Question re Use of Proceeds to Pay Down Debt of Parent

Dear Mr. Verne and Ms. Walsh:

I am writing to seek confirmation that Informal Opinion 0805010 (<http://ftc.gov/bc/hsr/informal/opinions/0805010.htm>) still reflects the view of the PNO. In the instant transaction, S is the UPE of several wholly-owned subsidiaries ("T1 entities") some of which have wholly-owned subsidiaries of their own ("T2 entities"). S owes debt to third-parties, and the sale of T1 or T2 entities would be a default event under the debt covenants. In the instant transaction, A will purchase some of the T1 and T2 entities. Some or all of the proceeds of sale will be used to repay S's debt. I understand that, based on 0805010, we should exclude from the "acquisition price" for purposes of determining the transaction value that portion of the proceeds from the sale of the voting securities or non-corporate interests of the T1 and T2 entities that is used to repay the debt of S.

I would appreciate it if you could confirm that the described approach is appropriate. Thank you for your help in this matter.

Sincerely,



AGREE  
*[Signature]*  
11/20/12  
K. WALSH CONCURS