

**Johnson, Janice C.**

801. 50

**From:** Johnson, Janice C.  
**Sent:** Friday, November 22, 2013 3:44 PM  
**To:** [REDACTED]  
**Subject:** RE: Hypothetical

[REDACTED] in discussions with other staff, I've come up with a different response:

Yes, you would include the cash. The parties are adjusting the purchase price to \$72 million because they didn't take the cash on hand into account when they agreed on \$70 million.

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**From:** [REDACTED]  
**Sent:** Friday, November 22, 2013 1:02 PM  
**To:** Johnson, Janice C.  
**Subject:** Hypothetical

Ms. Johnson:

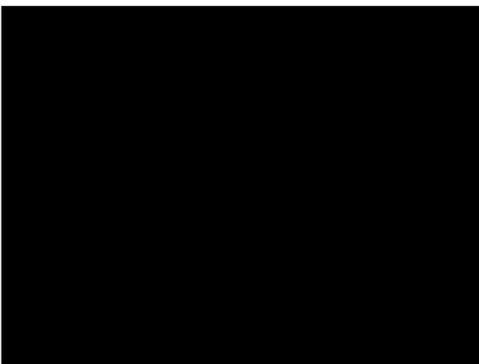
Many thanks for taking the time to speak with me today. This email contains the hypothetical we discussed.

Company Y is purchasing all the equity of Company X. The purchase price, as set forth in the relevant agreement, is \$70 million.

The parties are not sure at this point of the amount of cash that Company X will have at the time of closing. Company X intends to leave that undetermined amount in the Company rather than distribute it prior to closing. Company Y agrees to reimburse Company X the amount of cash at closing.

It is my understanding that the "swapped" cash will NOT be included in the valuation for HSR purposes. That is to say that if \$2 million in cash is swapped, the transaction value for HSR purposes does not become \$72 million but rather remains at \$70 million.

Please let me know if you agree or if you need any further information.



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\*\*\*\*\* Any tax