

Walsh, Kathryn E.

From: [REDACTED]
Sent: Monday, June 30, 2014 8:52 AM
To: Walsh, Kathryn E.
Subject: RE: Brokerage Statements/Investment Account Statements

Excellent. Thanks Kate! Have a great holiday weekend.

Michele

From: Walsh, Kathryn E. [<mailto:kwalsh@ftc.gov>]
Sent: Monday, June 30, 2014 8:50 AM
To: [REDACTED]
Cc: Verne, B. Michael
Subject: RE: Brokerage Statements/Investment Account Statements

Not regularly prepared [REDACTED] It can be something that's prepared internally (the language you quote), but not tax documents and not something prepared in the context of a transaction.

From: [REDACTED]
Sent: Monday, June 30, 2014 8:33 AM
To: Walsh, Kathryn E.
Subject: RE: Brokerage Statements/Investment Account Statements

Hi Kate.

Thanks again for the advice below.

I assume that annual 1065s – information statements filed by non-corporate entities with the IRS each year – would also not qualify as regularly prepared balance sheets for size-of-person test purposes.

I know that tax returns are not regularly prepared financial statements. I ask about 1065s, however, because the new PNPM states the following: "The regular preparation of the financial statements, and not the specific purposes for which they were prepared, is relevant in assessing whether the financial statements can (and must) be used to determine if the size of person test is satisfied. A balance sheet prepared annually in accordance with the accounting procedures normally used by a company for purposes of determining that company's contributions to an employee profit-sharing plan, for example, could qualify as the company's 'last regularly prepared' balance sheet, at least until the next regular annual statements or other regularly prepared balance sheets (if any) are prepared."

Thanks,

[REDACTED]

From: Walsh, Kathryn E. [<mailto:kwalsh@ftc.gov>]
Sent: Friday, June 27, 2014 2:41 PM
To: [REDACTED]
Subject: RE: Brokerage Statements/Investment Account Statements

No, not regularly prepared for X.

From: [REDACTED]
Sent: Friday, June 27, 2014 11:18 AM
To: Walsh, Kathryn E.
Subject: Brokerage Statements/Investment Account Statements

Hi Kate.

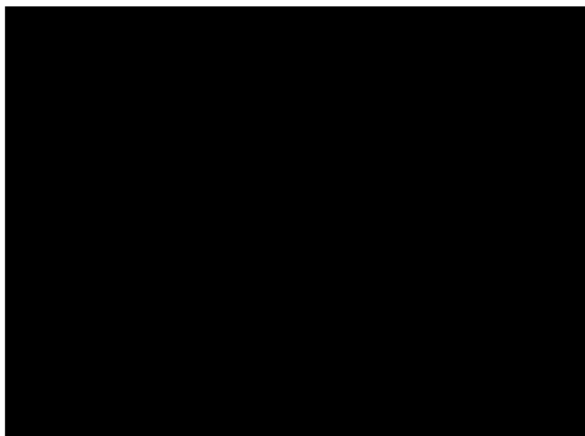
I hope you are doing well.

When assessing whether an entity has regularly prepared financial statements to determine its HSR size, would you consider investment account statements to be regularly prepared balance sheets?

In our case, we have an entity (X) whose only holdings are minority interests in other entities and possibly cash. X does not prepare financial statements in the regular course of its business. However, its investment advisor produces investment account statements for X quarterly which show the list of assets (stock in other entities) with market values and trading transactions for the period. I understand this is a brokerage statement.

Thanks for your help and have a great weekend.

Best regards,
[REDACTED]



[REDACTED] is an international legal practice that includes [REDACTED]. For more information, see [REDACTED]

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