

From: [Carson, Timothy](#)
To: [REDACTED]
Cc: [Walsh, Kathryn E.](#); [Berg, Karen E.](#); [Gillis, Diana L.](#); [Shaffer, Kristin](#); [Whitehead, Nora](#); [Storm, Evan](#)
Subject: RE: 802.21 Question
Date: Monday, January 09, 2017 4:39:10 PM
Attachments: [image001.png](#)

[REDACTED]

We agree with your analysis. The exemption under 802.21 is issuer specific. Under the facts you lay out, Core Company is replacing Company for purposes of this rule, and therefore a filing to acquire Company will be treated as a filing to acquire voting securities of Core Company. Conversely, a filing to acquire Company cannot be used to acquire voting securities of Non-Core Company.

Timothy (Ty) Carson

Bureau of Competition
Federal Trade Commission
400 7th Street, SW
Washington, DC 20024
202.326.2627
tcarson@ftc.gov

From: [REDACTED]
Sent: Monday, January 09, 2017 2:27 PM
To: Walsh, Kathryn E.; Berg, Karen E.; Gillis, Diana L.; Shaffer, Kristin; Whitehead, Nora; Storm, Evan; Carson, Timothy
Subject: 802.21 Question

Dear All,

Happy New Year. I have a question related to 802.21. This situation does not seem to have been addressed by the PNO in the past, but the answer seems straightforward, and I'd like to confirm.

A public company ("Company") separated its operations into two independent parts -- one with substantially all of its operations ("Core Company") and the other with the remaining non-core operations ("Non-Core Company").

Core Company retained the same name as the pre-separation Company and was assigned the same ticker symbol as pre-separation Company for trading. Core Company is considered the successor to Company for accounting purposes and its SEC filings include the historical financial information of Company, with Non-Core Company's operations reported as "discontinued operations."

Non-Core Company was given a new name, assigned a new ticker symbol, and in SEC filings it reports the historical performance of just the small remaining non-core operations as if it were a standalone entity for all periods.

The separation was effected through a pro rata distribution of shares of Core Company to shareholders of Company, after which the shares of Non-Core Company were reduced through a reverse stock split.

Between these two now independent issuers (Core Company and Non-Core Company), if an investor wished to rely on an HSR filing made for pre-separation Company for additional acquisitions within 5 years under 802.21, acquisitions of Non-Core Company with the new name and trading symbol would require a fresh HSR filing if thresholds are met, while acquisitions in Core Company, with the same name and trading symbol, would be viewed as the same issuer as before and exempt under 802.21 as long as a new threshold is not crossed.

Can you please let me know if you agree? If you have any questions, please let me know. Thank you very much.

Best regards,

[REDACTED]