

## Haynes, Lanea

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**From:** Berg, Karen E.  
**Sent:** Friday, September 01, 2017 12:58 PM  
**To:** Gillis, Diana L.  
**Subject:** FW: Rollover Exemption

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**From:** Berg, Karen E.  
**Sent:** Thursday, August 17, 2017 10:09 AM  
**To:** [REDACTED] Carson, Timothy; [REDACTED]  
**Cc:** Shaffer, Kristin; Gillis, Diana L.; Sheinberg, Samuel I.  
**Subject:** RE: Rollover Exemption

[REDACTED]  
[We agree no filing is required here.](#)

Karen

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**From:** [REDACTED]  
**Sent:** Thursday, August 17, 2017 9:47 AM  
**To:** Carson, Timothy  
**Cc:** Shaffer, Kristin; Berg, Karen E.; Gillis, Diana L.  
**Subject:** Rollover Exemption

Ty,  
It was a pleasure speaking with you. And thank you for your time. Here are the steps of the contemplated transaction.

Steps:

- A shell holding company called NewCo is formed solely to acquire and hold the shares of the Company B
- Company A (a private equity firm) buys \$27M in equity of NewCo
- NewCo borrows \$20M
- NewCo purchases \$47M in equity of Company B (a privately held entity)
- Seller exchanges \$30M in remaining equity of Company B in exchange for \$30M in equity of NewCo (results in seller holding a percentage of shares in NewCo that is equal to the percentage of shares it held in Company B) → **rollover**
- Company A buys \$20M in equity of NewCo

Here is the informal interpretation that I mentioned:

<https://www.ftc.gov/enforcement/premerger-notification-program/informal-interpretations/0501012>

Based on this informal interpretation, it appears that there is no reportable transaction. Thank you again for your time and assistance.

Best,

[REDACTED]

[REDACTED]