

## Sheinberg, Samuel I.

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**From:** [REDACTED]  
**Sent:** Friday, August 02, 2019 9:26 AM  
**To:** Walsh, Kathryn E.; Berg, Karen E.; Carson, Timothy; Sheinberg, Samuel I.; Six, Anne; Olson, Eric  
**Subject:** FW: HSR Valuation Question

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**From:** Whitehead, Nora  
**Sent:** Friday, August 2, 2019 9:26:04 AM (UTC-05:00) Eastern Time (US & Canada)  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: HSR Valuation Question

If the cash infusion is consideration for the sale of B to A, then the amount should be included in the size of transaction.

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[REDACTED]

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**From:** [REDACTED]  
**Sent:** Friday, August 2, 2019 6:59:42 AM (UTC-05:00) Eastern Time (US & Canada)  
**To:** [REDACTED]  
**Subject:** HSR Valuation Question

All

I have a question about transaction valuation.

Company A is buying the LLC interests of Companies B, C, and D.

B, C, D collectively are majority owned by X.

Y and Z are separate shareholders. X, Y, and Z are their own UPEs. Payments will be to each, with X getting enough to cross the \$50M as adjusted threshold, and the size of the person test is met, so I'm satisfied that the transaction is reportable.

A also will be making an infusion of cash into Company B, which is the main operating company. The payment is being made directly to B and separately from any payments to the shareholders. The payment will be made the day after closing. The payment is being described as "working capital" to keep Company B operating.

I understand that transaction expenses and liabilities are not typically considered as part of the transaction value, but do you agree that it is appropriate also not to include this cash infusion payment in the value of the transaction because it is not a payment going directly to the shareholders?

Thank you for your help.

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