A UPE’s pro forma balance sheet should include the value of the interests it holds.

Hi everyone,
I have a question regarding the size of person test.
P-Ship A and P-Ship A-1 are U.S. partnerships. P-Ship A is its own UPE and also the UPE of P-Ship A-1. P-Ship A-1 is the acquiring entity. Both P-Ship A and P-Ship A-1 were formed for purposes of the underlying transaction – namely P-Ship A-1’s acquisition of less than 20% of the voting shares of Issuer I. Neither P-Ship A nor P-Ship A-1 has regularly prepared financial statements.

**Question:** When calculating the size of the acquiring person pursuant to Section 801.11(e), must P-Ship A include on its pro forma balance sheet the value of its interests in P-Ship A-1 even though it controls P-Ship A-1 and thus will include the value of P-Ship A-1’s assets and net sales, if any, when calculating its size? Please note that neither P-Ship A nor P-Ship A-1 have any assets or annual revenues other than the cash P-Ship A-1 will use to acquire certain voting shares of Issuer I, and we understand that we can disregard this cash when assessing whether P-Ship A satisfies the size of person test. See 16 C.F.R. § 801.11(e)(1)(ii); Premerger Notification Practice Manual 5th ed., Nos. 81, 88.

Please advise if you need any additional information.

Thank you in advance!