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From: [redacted]  
To: mverne@afc.gov; <mverne@afc.gov>  
Date: Mon, Oct 9, 2000 11:31 AM  
Subject: HSR interpretation

Hi Mike - I would appreciate your guidance on the following fact pattern:

Facts: A and B wish to engage in a business combination. A will be merged with and into B and shareholders of A and B will be given shares of C - the consolidated entity. Neither A nor B are \$100 million persons, but C will have in excess of \$100 after the consolidation.

Issue: I believe there would be no filing obligation for the consolidation as there is no \$100 person. Assuming however, that shareholders of A and B are \$10 million persons, and the investment only exemption is not available, would shareholders of A and or B have a filing obligation in their acquisition of shares of C?

Thanks.

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cc: [redacted]

AS A RESULT OF THE CONSOLIDATION C WOULD BE ATTRIBUTED THE ASSETS / REVENUES OF A & B, AND WOULD BE A \$100 MM PERSON. \$10MM SHAREHOLDERS OF A / B WOULD HAVE A POTENTIAL FILING OBLIGATION.

B. Michael Verne  
10/10/00