

801.10

From: [REDACTED]
To: "mverne@nc.gov" <mverne@nc.gov>
Date: 11/20/01 2:30PM
Subject: size of transaction

Hi Mike - I would appreciate your guidance on calculating the size of the following transaction (please assume that the size of parties test is satisfied):

Pursuant to a Merger Agreement, Company A will acquire 100% of the voting securities of Company B. Company A and Company B are public companies, Company B's market cap is approximately \$30 million. Company B has approximately \$75 million in cash, which it would like to distribute as dividends to its shareholders prior to the sale. Company B would like Company A to pay approximately \$10 million as consideration after the shareholders are paid off.

Am I correct in assuming that no filing would be required under these circumstances because neither the value of the voting securities (as calculated by multiplying the number of shares by the share price) nor the acquisition price will be in excess of \$50 million.

Thanks and have a great Thanksgiving.

[REDACTED]

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[REDACTED]

CC: [REDACTED]

ADVISED THAT VALUE WOULD BE THE
GREATER OF ACQUISITION PRICE OR MARKET PRICE.
PRESUMABLY MARKET PRICE WOULD REFLECT THE
DIVIDEND AT SOME POINT PRIOR TO CLOSING.

B. Michael Verne 11/26/01