

802.30
7A(C)(3)

From: [REDACTED]
To: "Mike Verne (E-mail)" <mverne@ftc.gov>
Date: 2/26/02 11:09AM
Subject: HSR Question: Stock Swap

Hi Mike:

Quick question:

A US company ^(A) holds 100% of a UK subsidiary, which in turn owns 60% of a sub ^(B) (the other 30% is held by managements and others). The US parent would like to make the UK subs fully owned and to that end want to bring about a stock swap whereby each shareholder in the UK sub gets an equivalent value of stock of the US company and relinquished its UK stock. At this point, I am not sure if the value of the stock at issue is over or under \$50 M, but as this is an even swap with no one acquiring anything new, could this require a filing if the threshold is met? ^(C)

[REDACTED]

ADVISED THAT THE ACQUISITION OF THE REMAINDER OF C'S VS BY A WOULD BE EXEMPT UNDER 7A(C)(3) ON 802.30 SINCE A ALREADY HOLDS IN EXCESS OF 50%. ANY CURRENT SHARE HOLDER OF C WHO WOULD RECEIVE IN EXCESS OF \$50MM OF A VS IN THE EXCHANGE WOULD HAVE A POTENTIAL REPORTING OBLIGATION.

Michael Verne
2/26/02