

802.50  
802.51  
801.15

From: [Redacted]  
To: "mverne@ftc.gov" <mverne@ftc.gov>  
Date: 4/5/02 11:41AM  
Subject: Example

Dear Mike: Could you please confirm that the following example is correct?  
Thanks.

Example. U.S. person A proposes to acquire (i) assets of U.S. person B, some of which are located in the United States and some of which are located outside the United States, and (ii) voting securities of foreign issuer subsidiaries of B. The foreign assets generated \$10 million of sales in or into the United States in B's most recently completed fiscal year. The foreign subsidiaries in the aggregate made \$45 million of sales in or into the United States during B's most recently completed fiscal year and have aggregate assets located in the United States having a fair market value of less than \$5 million. The acquisition of the foreign assets is exempt under 802.50(a). The acquisition of the voting securities of the foreign subsidiaries is exempt under 802.51(a). Under 801.15, neither the foreign assets nor the voting securities of the foreign subsidiaries will be held as a result of the transaction. Assuming that the parties satisfy the size of person test (if applicable), A must determine if the acquisition of the assets located in the United States satisfies the size of transaction test of the Act (i.e., whether the "value" of the U.S. assets determined under rule 801.10 exceeds \$50 million).

Regards,

[Redacted signature block]

04/05/02 10:42:17-----

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CONFIRMED THAT THIS EXAMPLE IS CORRECT AS STATED.

B. Michael [Signature]  
4/8/02