

Verne, Michael

From: [REDACTED]
 Sent: Tuesday, July 15, 2003 12:42 PM
 To: Verne, Michael
 Cc: [REDACTED]
 Subject: 16 CFR Section 802.51 (b)

Hi Mike - Company X, a Canadian corporation, is trying to figure out whether another company could acquire in excess of \$50 million of their voting securities without having to make a premerger filing in the US. I am hoping for your guidance with respect to 16 CFR Section 802.51 (b). For purposes of analysis, please assume that company X has total assets and or sales in and into the US, greater than \$50 million.

It is my understanding that a foreign person would not be required to file under the Act if the following conditions are met:

- a) both the acquiring and acquired persons are foreign;
and
- b) The aggregate sales of the acquiring and acquired persons in or into the US are less than \$110 million in their respective most recent fiscal years;
and
- c) The aggregate total assets of the acquiring and acquired persons located in the US are less than \$110 million
and
- d) As a result of the transaction, the acquiring person would not hold an amount of voting securities of the acquired person valued in excess of \$200 million.

Did I get this right?

Can you think of any other exemptions - I think we can rest assured that this would not fall under the investment only exemption.

Thanks.

THIS IS CORRECT.
 ALSO ANY ACQUISITION OF < 50%
 BY A FOREIGN PERSON IS EXEMPT;
 AND ANY ACQUISITION BY A
 US PERSON IS EXEMPT IF THE
 CANADIAN COMP DOES NOT HAVE
 U.S. SALES/ASSETS IN EXCESS
 OF \$50 mm.

B. Michael
 7/15/03