Verne, Michael

From:	▓▓▓▓▓▓▓▓▓▓
Sent:	Thursday, September 04, 2003 11:28 AM
To:	Verne, Michael
Subject:	802.1 question

Hi, Mike:

I wanted to check with you on the interpretation of 802.1. Suppose that A is going to acquire from B a grocery store (as in example 1) and the store has a large current inventory of grocery products to be sold. I understand that the store would be an "operating unit," but I am wondering if you use 802.1(c)(1) to back out the value of the groceries that are in the store's inventory.

I'd appreciate your thoughts.

Thanks,

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tel:

ADVISED THAT INVENTORY CANNOT BE EXEMPTED BY 802.1 IF IT IS BEING ACQUIRED AS PART OF AN OPERATING UNIT.

B. McClain
9/4/03

1