

Verne, B. Michael

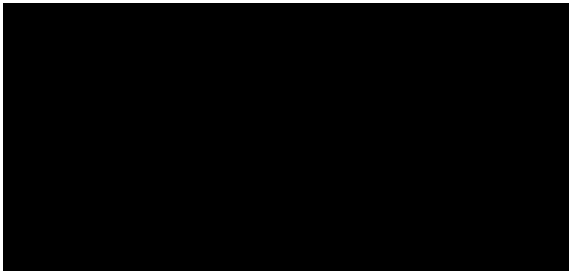
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From: [REDACTED]  
Sent: Tuesday, March 23, 2004 7:25 AM  
To: Verne, B. Michael  
Subject: Interpretation question

An issue I hadn't thought about before. Suppose X is acquiring a coal company for \$300 million. Does the size-of-person test apply?

802.3 says that X can acquire up to \$200 million worth of coal reserves without reporting, but this deal busts that limit. One view would be that, after applying the \$200 million 'exemption,' what's left is a \$100 million acquisition, and the SOP tests would have to be satisfied. However, I read 801.15 to say that, because the \$200 million limit in 802.3 is exceeded, the entire \$300 million acquisition is reportable, and the SOP tests would not apply.

What say you?



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AGREE THAT 801.15 SAYS YOU WOULD HOLD \$300MM  
IN ASSETS, SO SIZE-OF-PERSON TEST IS INAPPLICABLE.  
N. OVUKA CONCURS.

*B. Michael*  
3/23/03