

801.10

Verne, B. Michael

From: [REDACTED]
Sent: Wednesday, October 20, 2004 11:47 AM
To: Verne, B. Michael
Subject: HSR Question on Valuation

Mike,
Following up my voice mail of this morning, I have the following transaction:

- 1 Purchase of non-publicly traded voting securities, where the UPE is an individual controlling shareholder who meets the size of person test.
2. Agreed purchase price for the voting securities is \$45 million.
3. Parties have also agreed that, at closing, buyer will pay off an existing \$9 million note which has been issued by the to be acquired corporation to the UPE. Thus, an additional \$9 million will flow to the UPE for the note.

Under a number of staff opinions that you have issued, the above transaction would be below the \$50 million size of transaction test. In none of those opinions, however, did I see that debt payoff as being made to the UPE. I don't think that changes the analysis, but just wanted to confirm.

If you have any questions, you can reach me at the number below.



DO NOT INCLUDE \$9mm
PAYOFF OF DEBT.
B. Michael
10/20/04