

801.40
802.4

Verne, B. Michael

From: [REDACTED]
Sent: Thursday, November 10, 2005 2:33 PM
To: Verne, B. Michael
Subject: Here's the question from my voicemail message

X and Y will form a new corporation, which in turn will acquire S, an existing public company, for about \$1 billion.

In the formation of the acquiror corporation, X (a current shareholder of S) will contribute 20% of the stock of S and take back about 30% of the total voting securities of the new corporation valued at about \$150 million.

Y will put in about \$350 million in cash and take back the remaining 70% interest in the new corporation.

More or less simultaneously, the new acquiror corporation will acquire the remaining 80% of the stock of S for something like 80% of \$1 billion (it already has the other 20%).

Am I right that X doesn't have to file under 801.40 for its acquisition of a 30% interest in the acquiror corporation, because of 802.4? - CORRECT

I know I have to file for controlling shareholder Y's acquisition of S (through the new corporation, which Y controls).

Seems to me that Y need not file separately under 801.40 in connection with the formation of the acquiror corporation, again because of 802.4. - CORRECT

Thus, I have a single filing obligation by Y as acquiring person and S as acquired person, with minority shareholder X a bystander. - CORRECT

Yes? No?



Bluesky
11/10/05

[REDACTED] made the following annotations.

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