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Verne, B. Michael

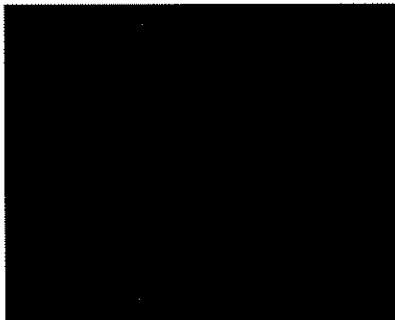
From: [REDACTED]
Sent: Thursday, December 01, 2005 3:31 PM
To: Verne, B. Michael
Cc: Johnson, Deidre J.
Subject: FW: HSR question

Hi, Mike -
Can you help me think about the HSR analysis with these facts:

Company A is acquiring approximately 70% of the membership interests in Company B, a limited liability company, for approximately \$51 million; it is thus gaining control of the LLC. Company A does not currently hold any membership interests in Company B. Beginning in the second year following closing and continuing through year seven following closing, Company A has committed to acquire additional shares of the Company B if certain performance targets are met.

It seems there is no HSR filing required (since the jurisdictional threshold is not met) at the time of gaining of control of Company B and any future acquisitions (if any) of membership interests in Company B by Company A would not be reportable because Company A would already be deemed to hold all of the assets of Company B. Do you agree?

Thanks – as always!



AGREE
B. Michael
12/1/05

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