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**Verne, B. Michael**

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**From:** [REDACTED]  
**Sent:** Tuesday, January 31, 2006 10:33 AM  
**To:** Verne, B. Michael  
**Subject:** brief holding of voting securities

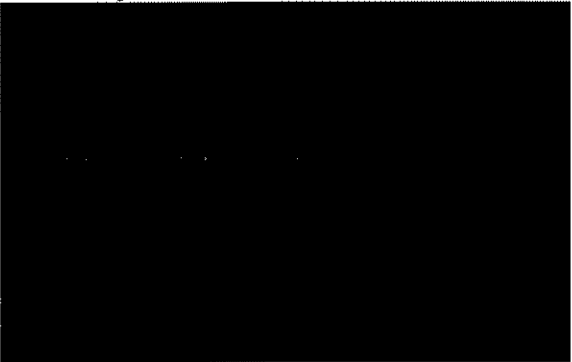
Mike,

I am examining a transaction in which a US company is buying 20% of the shares of another US company, above the threshold and so reportable.

As an interim step to acquiring this 20% of the target, purchaser will buy a certain amount of shares in a subsidiary of target (sub 1) from another subsidiary of the target (sub 2), then immediately swap those shares to the target for shares in the target directly. This will result in purchaser holding perhaps 10% of the target's shares, the other 10% will be purchased directly from the target's parent. I believe this setup is for tax purposes.

My question is whether there is any need to separately file for the brief acquisition of shares in sub 1 or whether I may simply describe it as an interim step in my filing for the acquisition of 20% of the shares of the target.

Thank you,



DESCRIBE IT AS AN INTERIM  
STEP IN THE ACQUISITION  
OF 20% OF THE VLS.  
B. Michael

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