

7A(c)(1)

Verne, B. Michael

From: [REDACTED]  
Sent: Tuesday, September 12, 2006 1:04 PM  
To: Verne, B. Michael  
Subject: REIT Exemption

Mike,

Is interpretation #197 exempting REITs from HSR reporting still applicable to the following scenario?

REIT acquires all the assets of several operating units of the acquired person for greater than \$56.7 million. The assets include real property and personal property associated with the real property. Interpretation #197 states that REIT acquisitions of real property are exempt as acquisition of realty in the ordinary course of business under 7(c)(1). Section 802.1(a), however, states that acquisitions of substantially all of the assets of an operating unit are not acquisitions in the ordinary course of business. My understanding is that the "REIT exemption" contained in Int. # 197 interpreting 7(c)(1) trumps 802.1(a). Is this correct? If so, is the acquisition of personal property incidental to the ownership of real property also exempt under the REIT exemption?

Thanks,

[REDACTED]

7A(c)(1) EXEMPTS ALL ACQUISITIONS OF REAL PROPERTY, AND ASSETS INCIDENTAL TO THE REAL PROPERTY, BY A REIT.

B. Michael  
9/12/06

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