Verne, B. Michael 801.10(b)

From: [redacted]
Sent: Thursday, February 08, 2007 10:59 AM
To: Verne, B. Michael
Subject: Paying down debt in an asset acquisition

Mike - we had a discussion once about an asset transaction in which the buyer will pay an amount over the filing threshold (e.g. $75 million) but actually a large part of that amount (e.g. $50 million) will be used to pay off debt of the target so that the seller will only receive $25 million for the assets. I know we discussed whether the $50 million would be deemed an assumption of debt so that it should be included in the "value of transaction" but I cannot remember where we came out. In other words do we have a $75 million transaction or a $25 million transaction? Can you remind me?

Many thanks!

[redacted]

[redacted]

Email: [redacted]

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IN AN ASSET ACQUISITION, PAYING OFF DEBT & ASSUMPTION OF DEBT ARE TREATED THE SAME. THIS IS A $75M TRANSACTION

BM
2/8/07