

801.1 (b)  
802.70  
802.71

**Verne, B. Michael**

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**From:** [REDACTED]  
**Sent:** Monday, January 14, 2008 3:24 PM  
**To:** Verne, B. Michael  
**Subject:** HSR Reportability Inquiry

Mike:

I hope this email finds you well.

Our client may have to place certain of its assets into a grantor trust pursuant to a divestiture order issued by the Federal Communications Commission (FCC). During the time that the assets are held in the trust, a separate, independent third party trustee would make all decisions relating to those assets. A buyer would be found and the assets would eventually be sold to a new owner. Until the assets are sold, our client would have no ability to exercise managerial authority over the assets, although our client would have all economic risk associated with the assets.

Two questions come to mind.

1. It does not make sense to me that the transfer of the assets to the grantor trust would be a reportable event, although I can find no direct precedent for that belief. Is it because our client would still "control" the assets held in the grantor trust vis-à-vis 16 C.F.R. Section 801.1(b)(ii)?
2. Once the trustee finds a buyer for the assets placed in trust, I assume that our client would need to make a filing at that time since 16. C.F.R. Section 802.70 would not apply. Do you agree?

Appreciate your advice as always.

If it is easier, feel free to give me a call to discuss.

Regard,

[REDACTED]

[REDACTED]

[REDACTED] mail server made the following annotations on 01/14/08, 14:20:27:

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IRS Circular 230 Disclosure: To comply with certain U.S. Treasury regulations, we in that, unless expressly stated otherwise, any U.S. federal tax advice contained in th communication, including attachments, was not intended or written to be used, and ca used, by any taxpayer for the purpose of avoiding any penalties that may be imposed taxpayer by the Internal Revenue Service. In addition, if any such tax advice is us to by other parties in promoting, marketing or recommending any partnership or other investment plan or arrangement, then (i) the advice should be construed as written i with the promotion or marketing by others of the transaction(s) or matter(s) address

*[Handwritten mark]*

1. Assuming the grantor trust is irrevocable, the transfer of the assets to it would be exempt under

• § 802.71. If the trust is revocable, your client would still be deemed to hold the assets.

2. Yes - § 802.70 only exempts divestiture orders by the DOJ and FTC.

B. N  
11/14/08