

802-30  
7A(c)(10)**Verne, B. Michael**

**From:** [REDACTED]  
**Sent:** Wednesday, May 14, 2008 3:55 PM  
**To:** Verne, B. Michael  
**Subject:** HSR Reportability 802.30, 7A(c)(10)

Mike,

Company A is comprised of two businesses, "X Business" and "Y Business." Company A plans a recapitalization of its "X Business" and a separation from the X Business of the "Y Business" through several steps. Company A is a corporate entity and is its own UPE. Company A has approximately 300 shareholders, none of which hold greater than 10% of outstanding voting securities. Company A shareholders are the partners of the X Business and Y Business ("X Partners" and "Y Partners"). The transaction will occur by way of a contribution, spin-off, and merger with Company B. The spin-off will occur contemporaneous with, and as an integral part of, the merger. The transaction will be structured as follows:

1. Company A will form two wholly owned subsidiaries, "Newco Inc" and "Newco LLC;"
2. Company A will contribute the assets of its Y Business to Newco LLC (the "Contribution");
3. Company A will contribute Newco LLC to a wholly owned subsidiary of Newco Inc.;
4. Company A will distribute to its shareholders all of the shares of Newco Inc. voting stock on a pro-rata basis (the "Spin-Off" of Y Business);
5. Immediately following the Spin-Off, certain X Partners will exchange Newco Inc. voting shares for cash; 60 days following closing, Newco Inc. will repurchase all shares of Newco Inc. voting stock held by X Partners in exchange for cash;
6. Immediately prior to the Merger, certain X Partners will exchange Company A voting shares and options for voting shares and options of the parent of Company B, and certain Y Partners will exchange Company A voting shares and options for non-voting shares and options of the parent of Company B (the "Roll-Over");
7. A wholly owned subsidiary of Company B will merge with and into Company A (which due to the Spin-Off consists of only X Business) with Company A surviving as a wholly owned subsidiary of Company B (the "Merger");
8. Company A shareholders that did not participate in the Roll-Over, if any, will receive cash in exchange for their shares of voting stock of Company A, except certain X Partners that did not participate in the Roll-Over, if any, will have some of their Company A voting shares and options converted into the right to receive Company B voting shares and options.

Assuming that an HSR filing is submitted in connection with the Merger in step 7, can you confirm that no other filings will be required, i.e., steps 1, 2, 3, and 5 are exempt pursuant to 802.30 (intraperson transactions) and step 4 is exempt pursuant to 7A(c)(10) (no increase in percentage voting securities).

Thank you

[REDACTED]

AGREE - ONLY THE MERGER  
IS REPORTABLE

BM

5/15/08

5/15/2008

^