

802.50

Verne, B. Michael

From: [REDACTED]
Sent: Thursday, July 16, 2009 2:10 PM
To: Verne, B. Michael
Cc: [REDACTED]
Subject: 802.50 Issue

Dear Mike

Thank you for speaking with me today about the reporting requirements for an asset sale involving foreign assets that have no direct sales to the United States. This email confirms the major issues that we discussed.

The assets to be sold by our client (Company X) are located in Asia and produce an electronic component (Product Y) that is used as an input in finished goods. Company X ships Product Y to customer plants in China, which incorporate the component into finished goods that are sold worldwide. Some of the customer plants are affiliates of subsidiaries of US companies, and some of the purchase orders and payments for Product Y originate in the US. However, title to Product Y always passes to the buyer outside the US. Further, Product Y can be used (and is used) in finished goods worldwide, and Company X does not control where such finished goods are sold.

Based on our conversation--and consistent with Informal Staff Opinions 8608001 (<http://www.ftc.gov/opinions/8608001.htm>) and 0205015 (<http://www.ftc.gov/opinions/0205015.htm>), and Interpretation 215, Premerger Notification Practice Manual (Fourth)--I understand that the sales outlined above are not considered "sales in or into the U.S." for the purpose of 802.50(a).

Thank you again for your help.

Best regards,

AGREL -
B
7/16/09

[REDACTED]

[REDACTED]

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