Sheinberg, Samuel I.

From: Sheinberg, Samuel I.
Sent: Friday, January 20, 2023 1:28 PM
To: [redacted]
Cc: HSRHelp
Subject: RE: Question regarding size of transaction test

[redacted]

As you are in possession of all the facts related to this inquiry, you will need to make the final call as to the valuation of the voting securities and be prepared to defend any decision not to file and observe the waiting period if the Bureau's Compliance Division investigates.

From: HSRHelp <HSRHelp@ftc.gov>
Sent: Friday, January 20, 2023 11:59 AM
To: Walsh, Kathryn E. <kwalsh@ftc.gov>; Berg, Karen E. <KBERG@ftc.gov>; Musick, Vesselina <vmusick@ftc.gov>; Shaffer, Kristin <kshaffer@ftc.gov>; Sheinberg, Samuel I. <SSHEINBERG@ftc.gov>; Six, Anne <asix@ftc.gov>; Whitehead, Nora <nwhitehead@ftc.gov>; Fetterman, Michelle <mfetterman@ftc.gov>
Subject: FW: Question regarding size of transaction test

From: [redacted]
Sent: Friday, January 20, 2023 11:58:45 AM (UTC-05:00) Eastern Time (US & Canada)
To: HSRHelp <HSRHelp@ftc.gov>
Cc: [redacted]
Subject: Question regarding size of transaction test

Good morning,

We would like confirmation of our understanding of the application of the Size of Transaction test to our current deal. We represent Buyer in the transaction. The factual background of the deal is set forth below:

Purchase price: $150,000,000
Deal structure:
Equity purchase of 100% of the outstanding capital stock of the target company
There are currently 96,000 outstanding shares, of which 10,000 are voting shares.
All of the Sellers have collectively agreed that all shares (voting and non-voting) are of equal value, meaning that each share is being valued at $1,562.50.
This means that the value of the voting securities is $15,625,000.

Our reading of the filing requirements places this transaction below the current Size of Transaction threshold of $101M, because the value of the voting securities is only slightly over $15M.

Can you please confirm whether our reading of the regulations is correct in arriving at the conclusion that an HSR filing is **not** required in this case?

Thank you very much in advance,

[redacted]