

Sheinberg, Samuel I.

From: HSRHelp
Sent: Tuesday, October 15, 2024 4:09 PM
To: Walsh, Kathryn E.; Berg, Karen E.; Musick, Vesselina; Shaffer, Kristin; Sheinberg, Samuel I.; Six, Anne; Whitehead, Nora; Burton, June; Larson, Peter
Subject: FW: UPE Question - Trusts 801.1(b)(2)

From: Fetterman, Michelle <mfetterman@ftc.gov>
Sent: Tuesday, October 15, 2024 4:09:15 PM (UTC-05:00) Eastern Time (US & Canada)
To: [REDACTED]
Subject: RE: UPE Question - Trusts 801.1(b)(2)

No, based on these facts, the father controls the trust.

From: [REDACTED]
Sent: Saturday, October 12, 2024 5:43:16 PM (UTC-05:00) Eastern Time (US & Canada)
To: HSRHelp <HSRHelp@ftc.gov>
Subject: UPE Question - Trusts 801.1(b)(2)

[REDACTED]

Dear PNO:

We have a transaction in which a family trust holds in excess of 50% of the voting securities of Corporation X. The Trust is not revocable and the Settlor does not have a revisionary interest. The father of the adult child beneficiary of the Trust has the contractual right to remove and replace the trustee at any time and for any reason. However, he is contractually required to appoint a bank, trust company, or individual not related or subordinate to him as a successor trustee. The prohibition against appointing a related or subordinate individual prohibits the father from appointing his spouse, their issue, their brothers or sisters; their employees; a corporation or any employee of a corporation which they control; or a subordinate employee of a corporation in which they are an executive. Do you agree that this restriction in the father's appointment power eliminates the ability of the father to control the trust within the meaning of 801.1(b)(2)?

Thank you for your response and service to our country.