

Shaffer, Kristin

From: HSRHelp
To: Walsh, Kathryn F.; Berg, Karen F.; Murick, M.; Veselina, Shalene; Shaffer, Kristin; Siv, Anjali; Whitehead, Anvora;
Subject: FW: Item 4(b) - Recently acquired entity

From: Shaffer, Kristin <kshaffer@ftc.gov>
Sent: Tuesday, July 26, 2022 11:27:57 AM (UTC-05:00) Eastern Time (US & Canada)
To: [REDACTED]
Cc: HSRHelp <HSRHelp@ftc.gov>
Subject: RE: Item 4(b) - Recently acquired entity

Your understanding is correct.

Best regards,
Kristin
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From: [REDACTED]
Sent: Tuesday, July 26, 2022 10:50:28 AM (UTC-05:00) Eastern Time (US & Canada)
To: HSRHelp <HSRHelp@ftc.gov>
Subject: Item 4(b) - Recently acquired entity

Good morning!

A natural person previously acquired a US company in the middle of the most recent fiscal year. The financial results for that previously acquired US company were then included in the consolidated annual report for a higher level entity in the natural person, but only for the stub period (after the acquisition of the US company). A separate annual report for the most recent year for the previously acquired US company is now being acquired in a new transaction. In the HSR filing for the higher level entity, does the acquired person need to file a separate annual report for the previously acquired US company?

Based on 174 in the Practice Manual, my understanding is that there is no obligation for the acquired person to file a separate annual report for the previously acquired US company. (a) the financial results for the FY for the previously acquired US company are consolidated with the higher level entity under the acquired person, and (b) there are not presently any requirements to create such statements if they don't already exist. I also understand that revenues for the previously acquired US company will report in Item 5 for the full year for the previously acquired US company, even though the acquired person in the new transaction did not own the US company for the full year, and even if a separate annual report/financials need not be created for the full year.

Item 4(b).
Is my understanding correct?
Thank you!
Best

