

§ 801.21 Securities and cash not considered assets when acquired.

For purposes of determining the aggregate total amount of assets under Section 7A(a)(2) and §§ 801.1(h)(1) and 801.13(b):

(a) Cash shall not be considered an asset of the person from which it is acquired; and

(b) Neither voting or nonvoting securities nor obligations referred to in section 7A(c)(2) shall be considered assets of another person from which they are acquired.

Examples: 1. Assume that acquiring person “A” acquires voting securities of issuer X from “B,” a person unrelated to X. Under this paragraph, the acquisition is treated only as one of voting securities, requiring “A” and “X” to comply with the requirements of the act, rather than one in which “A” acquires the assets of “B,” requiring “A” and “B” to comply. See also example 2 to § 801.30. Note that for purposes of section 7A(a)(2)—that is, for the next regularly prepared balance sheet of “A” referred to in § 801.11—the voting securities of X must be reflected after their acquisition; see § 801.11(c)(2).

2. In the previous example, if “A” acquires nonvoting securities of X from “B,” then under this section the acquisition would be treated only as one of nonvoting securities of X (and would be exempt under section 7A(c)(2)), rather than one in which “A” acquires assets of “B,” requiring “A” and “B” to comply. Again, the nonvoting securities of X would have to be reflected in “A’s” next regularly prepared balance sheet for purposes of section 7A(a)(2).

3. In example 1, assume that “B” receives only cash from “A” in exchange for the voting securities of X. Under this section, “B’s” acquisition of cash is *not* an acquisition of the “assets” of “A,” and “B” is not required to file notification as an acquiring person.

[43 FR 33537, July 31, 1978, as amended at 66 FR 8690, Feb. 1, 2001]

§ 801.30 Tender offers and acquisitions of voting securities from third parties.

(a) This section applies to:

(1) Acquisitions on a national securities exchange or through an interdealer quotation system registered with the United States Securities and Exchange Commission;

(2) Acquisitions described by § 801.31;

(3) Tender offers;

(4) Secondary acquisitions;

(5) All acquisitions (other than mergers and consolidations) in which voting securities are to be acquired from a holder or holders other than the issuer or an entity included within the same person as the issuer;

(6) Conversions; and

(7) Acquisitions of voting securities resulting from the exercise of options or warrants which are—

(i) Issued by the issuer whose voting securities are to be acquired (or by any entity included within the same person as the issuer); and

(ii) The subject of a currently effective registration statement filed with the United States Securities and Exchange Commission under the Securities Act of 1933.

(b) For acquisitions described by paragraph (a) of this section:

(1) The waiting period required under the act shall commence upon the filing of notification by the acquiring person as provided in § 803.10(a); and

(2) The acquired person shall file the notification required by the act, in accordance with these rules, no later than 5 p.m. Eastern Time on the 15th (or, in the case of cash tender offers, the 10th) calendar day following the date of receipt, as defined by § 803.10(a), by the Federal Trade Commission and Assistant Attorney General of the notification filed by the acquiring person. Should the 15th (or, in the case of cash tender offers, the 10th) calendar day fall on a weekend day or federal holiday, the notification shall be filed no later than 5 p.m. Eastern Time on the next following business day.

Examples: 1. Acquiring person “A” proposes to acquire from corporation B the voting securities of B’s wholly owned subsidiary, corporation S. Since “A” is acquiring the shares of S from its parent, this section does not apply, and the waiting period does not begin until both “A” and “B” file notification.

2. Acquiring person “A” proposes to acquire \$60 million of the voting securities of corporation X on a securities exchange. The waiting period begins when “A” files notification. “X” must file notification within 15 calendar days thereafter. The seller of the X shares is not subject to any obligations under the act.

3. Suppose that acquiring person “A” proposes to acquire 50 percent of the voting securities of corporation B which in turn owns 30 percent of the voting securities of corporation C. Thus “A’s” acquisition of C’s voting