

January 28, 2008

Annual Revisions to HSR Act Thresholds

The Federal Trade Commission has announced its annual revisions to the Hart Scott Rodino Antitrust Improvements Act (HSR Act) jurisdictional thresholds. The revised thresholds will become effective 30 days following publication of notice in the Federal Register and will apply to all transactions closing on or after that date, which is expected to be in late February.

Size of Transaction Threshold

Under the new thresholds, the minimum transaction reporting threshold will be \$63.1 million rather than \$59.8 million.

Size of Person Threshold

For transactions valued at or below \$252.3 million, the Size-of-Person test must also be met for the transaction to be reportable. With the new thresholds, the Size-of-Person test will be met if one person (either acquiring or acquired) has annual net sales or total assets equal to or exceeding \$12.6 million, and the other person has annual net sales or total assets equal to or exceeding \$126.2 million. For purposes of the Size-of-Person test, annual net sales and total assets are determined based on the person's most recent regularly prepared balance sheet.

Filing Fees

The filing fee thresholds have also increased.

For transactions valued:

- Above \$63.1 million and below \$126.2 million, the fee will be \$45,000;
- At or above \$126.2 million and below \$630.8 million, the fee will be \$125,000; and
- At or above \$630.8 million, the fee will be \$280,000.

Before closing transactions with values near the reporting threshold, it is important to determine whether a premerger notification filing must be made. The rules governing computation of thresholds, transaction valuation and the applicability of exemptions are complex, and we would be pleased to assist with your analysis and any required filing.

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