

HART-SCOTT-RODINO THRESHOLDS RAISED

February 26, 2008

On January 18, 2008, the Federal Trade Commission (FTC) announced the revised size thresholds that trigger the requirement to file a Premerger Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act (Act).

The Act requires that certain acquisitions of stock or assets and certain joint venture transactions be reported to both the Department of Justice, Antitrust Division (DOJ) and the FTC before closing. Reportable transactions cannot be consummated until (i) the expiration of a 30 day waiting period, (ii) the earlier termination of the waiting period by the FTC or DOJ, or (iii) if the FTC or DOJ request additional information about the transaction, approval from such agencies is granted.

With these recent adjustments to the Hart-Scott-Rodino thresholds, subject to certain available statutory exemptions, generally a Hart-Scott-Rodino notification must be filed if a deal meets one of two tests:

1. If the value of the assets or securities being acquired exceeds \$63.1 million (previously, \$59.8 million) and the total assets or sales for one party exceeds \$126.2 million and for the other party exceeds \$12.6 million (these size-of-the-party thresholds were previously \$119.6 million and \$12.0 million, respectively)
2. The total value of a proposed transaction exceeds \$252.3 million (previously \$239.2 million), regardless of the size of the parties

These new thresholds will take effect on February 28, 2008. The FTC is required under the Act to adjust the thresholds annually based on growth in the gross national product.

Practices & Industries

Antitrust, Trade Regulation &
Anticorruption