

ALERT

HSR Size of Deal Thresholds Raised



The Federal Trade Commission announced on January 18, 2006, the revised size thresholds for the deals that must be submitted under the Hart-Scott-Rodino Antitrust Improvements Act (Act). As most readers know, 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 and the Federal Trade Commission prior to completion. Reportable transactions cannot be consummated for a certain period of time following notification (typically 30 days, but sometimes less depending on certain circumstances).

With these recent adjustments to the size-of-the-transaction thresholds, an HSR notification must now be filed if a deal meets one of two tests.

First, if the value of the assets or securities being acquired in a transaction exceeds \$56.7 million (previously \$53.1 million) and the total assets or sales for one of the parties exceeds \$113.4 million and for the other party \$11.3 million, then a filing is generally required. (These size-of-the-party thresholds were previously \$106.2 million and \$10.7 million, respectively.) Although there are certain exceptions to the HSR filing requirements, the \$56.7 million is a key threshold to keep in mind.

Second, HSR notification is mandatory if the total value of a proposed transaction exceeds \$226.8 million (previously \$212.3 million), regardless of how big the parties are.

The FTC is required under the HSR rules to adjust the thresholds annually based on growth in the gross national product. We will try to keep you updated.

If you have any questions relating to the HSR Act or other antitrust issues, please contact Bob Fleming (716-848-1376; rfleming@hodgsonruss.com), or your principal contact at Hodgson Russ.

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The Hodgson Russ advantage

Our attorneys consult with and represent clients on antitrust issues in a variety of contexts, including mergers and acquisitions affecting the markets for goods, governmental proceedings, and civil litigation. The many aspects of antitrust law on which we advise our clients include pricing, relations with distributors, vertical restraints, contacts with competitors, dual distributors, Hart-Scott-Rodino compliance (including "second requests"), and trade regulations.

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