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New HSR Filing Thresholds for 2012

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On January 24, 2012, the U.S. Federal Trade Commission, the agency charged with administering the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), as amended, and its filing requirements, announced the adjusted HSR Act notification thresholds for 2012. The new thresholds will be published in the Federal Register within a few days and will become effective 30 days after publication. The HSR Act notification requirements apply to transactions that satisfy the specified "size of transaction" and "size of person" thresholds, and the thresholds are adjusted annually to reflect changes in the U.S. gross national product. The key adjusted thresholds are summarized in the following chart:

Test	2011 Threshold	2012 Adjusted Threshold
Size of Transaction	$66.0 million	$68.2 million
Size of Party (lower)	$13.2 million	$13.6 million
Size of Party (higher)	$131.9 million	$136.4 million
Size of Transaction where Size of Party Threshold not Satisfied	$263.8 million	$272.8 million

The new thresholds also apply to certain other HSR Act thresholds and exemptions.

Under the new thresholds, the "size of transaction" threshold will increase from $66.0 million to $68.2 million. No HSR Act notification will be required if the value of voting securities and assets held as a result of the transaction is below this threshold.

The "size of parties" thresholds of $13.2 million and $131.9 million in either annual sales or total assets will increase to $13.6 million and $136.4 million, respectively. For transactions valued at more than $68.2 million but not more than $272.8 million, no HSR Act notification will be required if the ultimate parent entities of one or both parties to the transaction do not satisfy the applicable "size of parties" thresholds.

Transactions valued at more than $272.8 million (previously $263.8 million) will be reportable regardless of the size of the parties, unless an HSR Act exemption applies.

The new thresholds do not affect the HSR Act filing fees, but the applicable filing fee will be based on the new thresholds, as follows: $45,000 for transactions valued at less than $136.4 million; $125,000 for transactions valued from $136.4 million to $682.1 million; and $280,000 for transactions valued at $682.1 million or more.

The new thresholds will remain in effect until the next annual adjustment, expected in the first quarter of 2013.

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The FTC also announced the revised thresholds for Section 8 of the Clayton Act that prohibits, with certain exceptions, interlocking directorates where one person serves as a director or officer of two competing corporations if two thresholds are met. Under the revised thresholds, effective when published in the Federal Register, Section 8 may apply when each of the competing corporations has capital, surplus, and undivided profits aggregating more than $27,784,000 and each corporation's competitive sales are at least $2,778,400.

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