

Several recent interpretations by the PNO that may not be widely known:

1. The following hypothetical was presented on the formation of an LLC:

A and B are forming a new LLC which will be held 60% by A and 40% by B. Contributed to the formation will be the interests in two partnership which are jointly held by A and B. LP1 is held 60% by A and LP2 is held 60% by B. The question presented was whether A had to make two filings in the formation, since A is the controlling member in the formation of LLC which now holds 100% of the partnership interests in LP1 and LP2. The concern was that A would file as both acquiring and acquired in the acquisition of the assets of LP1 and as an acquiring person in the acquisition of the assets of LP2 from B.

2. We have received numerous questions regarding treatment of non-voting stock that "automatically" converts to voting stock at the time of an IPO. The issue is whether this event is a potentially reportable conversion, or a non-reportable "automatic maturation of inchoate rights", such as in the case of omitted dividends causing stock to attain voting rights.

3. The following hypothetical was presented on the application of 7A(c)(10) in the context of an IPO:

A is a current shareholder of CORP. On the day of CORP's IPO, A will acquire additional shares. If A increases his percentage held during the day as the result of the acquisition of additional shares, but at the end of the IPO, holds a lower percentage, is A required to file?

4. The following hypothetical was presented on § 802.21:

A has entered into an agreement to acquire 20% of the voting securities of B. In the agreement, A is also granted an option to acquire up to 20% of the voting securities of each of four subsidiaries of B (valued in excess of \$15 MM) subject to a put option by B two years after the original acquisition. Does this require two filings?