



Premerger Notification

When to take a closer look



Information needed at the initial notification and review stage

- What is the minimum information necessary to initiate the merger review process?
- What kinds of information are needed to determine whether detailed review is warranted?



Most transactions are not of antitrust concern

- Concern usually arises only if:
 - Product overlap and
 - High concentration and
 - Entry is not likely to be sufficient



Consumer goods company files to buy a pencil company

- Company A manufactures and distributes a variety of household cleaners and personal hygiene products
- Company B produces colored pencils for artists
- There are no product overlaps
- Rationale for the deal is to diversify product offerings



Investment bank files to buy an energy services provider

- Investment bank A provides merger advice, debt and equity underwriting, and global finance. It also provides mortgage banking
- Company B's business focuses on management of natural gas and electrical power assets for third parties



Individual investor files to buy shares in financial company B

- Individual investor already owns 40% of financial company B
- Individual investor is buying an additional 20% of B's shares
- The acquisition meets the notification thresholds
- Investor does not obtain control



ABC fund files to buy a packaging tape company

- ABC fund controls an entity that manufactures equipment for the can making industry and an entity that provides environmental remediation
- Company B manufactures packing tape, carton sealing machines, and industrial electrical tape. B sells directly to end users
- No product overlaps



Investment fund A files to buy stock in tire company B

- Equity fund A seeks to buy a 10% interest in the voting securities of B
- Company B manufactures tires for a variety of commercial and consumer end uses
- No product overlap



Auto manufacturer files to buy a spark plug manufacturer

- Auto manufacturer A files to purchase spark plug manufacturer B
- B is a supplier of spark plugs to A
- No product overlaps
- There are many other spark plug manufacturers



Tire manufacturer A files to buy hub cab company B

- A manufactures a variety of tires for automobiles, tractors, lawn mowers and other specialized tires
- B outsources its hub cab production and sells its hub caps to auto makers as well as to specialty automotive retailers
- No product overlaps



Retailer A files to acquire retailer B

- Company A sells teen fashion clothing in shopping malls nationwide
- Company B sells women's clothing, focusing on high-end sales in independent boutiques
- Product overlap shown
- Documents submitted with the filing show that customers have different demographics



Electronics maker A files to buy electronic component maker B

- Press reports say both participate in electronic component design and manufacture
- Parties filings show both companies design and produce highly customized electronic components
- No product overlaps
- Documents submitted with filing show companies have different customers



Software firm A files to buy software manufacturer B

- B's documents claim it is the leader in a specific kind of inventory management software. A is listed as one of its competitors and 3 large firms are reported as investing in possible entry
- No product overlaps are reported
- A's website touts its experience in inventory software
- One of A's documents states that A does not produce software but only assists in development of software for interested customers



Software firm A files to acquire software firm B

- Both sell management software to large businesses
- In a securities filing, B lists A as a competitor
- A's voluntarily submitted board presentation notes that B has a 5% market share and A has a 5% market share. The presentation lists 8 significant competitors



Cement manufacturer A files to buy cement manufacturer B

- Company A makes and distributes concrete in Province X
- Company B makes and distributes concrete in Provinces Y and Z
- Product overlap
- Different geographic market



Storage media company files to buy electronics company

- Company A makes electronic storage media (disks, magnetic storage tapes, flash drives)
- Company B outsources consumer electronics and sells them under its own label
- No overlap products
- A's documents give rationale that transaction is part of a plan to become a brand and products management company



Bank A is acquiring regional bank B

- Bank A is a national bank with branches throughout the country
- Bank B has branches throughout Province A
- The parties branches overlap in 3 towns
- Internet research shows 4 other equal-size banks with branches in those 3 towns



Dental tools: company A files to buy company B

- Both companies produce dental tools used by dentists
- Company A products are specialty instruments used for making false teeth
- Company B products are dental drills
- Product overlap is shown in the filing
- Documents from A state that the acquisition will fill a gap in its product line



Wholesaler A files to buy wholesaler B

- A and B are both wholesale distributors of auto parts
- Documents state the acquisition will increase A's network and create synergies
- Six other wholesalers also distribute auto parts
- Every auto parts manufacturer has direct sales
- Most customers buy from both independent wholesalers and direct from manufacturers



Software company A files to buy software company B

- Company A provides business planning software
- Company B provides business planning software
- Product overlap
- Documents from A state that this will strengthen their offerings and will protect them from competition. Document by A's senior vice president claims they will "dominate" and "crush" the competition



Utility company A files to acquire utility company B

- Company A owns and operates an electricity transmission system in Province X and a natural gas transmission system in Provinces Y and Z
- Company B owns and operates a natural gas transmission system in Provinces Z and W
- Company A documents state that this will create the 4th largest energy delivery company in the country. B is considered a strategic and operational fit in Province Z



Conglomerate company A files to buy beer company B

- Company A makes many food and beverage products, including beer. A's beer is sold primarily in Province X
- Company B makes only beer, which is also sold mainly in Province X
- A's beer and B's beer are two of the three beers that account for almost all of the beer consumed in Province X. Some minor imported beers make up the rest of beer sales in Province X
- Company B is not in good financial condition