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MAJOR CHANGES TO THE HART-SCOTT-RODINO FORM
TO TAKE EFFECT JULY 1, 2001

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On May 9, 2001, the Federal Trade Commission published new regulations that will change the reporting requirements of the Hart-Scott-Rodino Premerger Notification and Report Form (the "Form"). These new rules, which are currently scheduled to become effective July 1, 2001,¹ will require industry-specific data to be reported as follows:

- Information in Items 5, 7 and 8 of the Form will be reported using the North American Industry Classification System ("NAICS") in lieu of the Standard Industrial Classification ("SIC"); and
- The base year for revenue data reported in Item 5 of the Form will be changed from 1992 to 1997.

In addition, the new rules make several minor changes to the Form and its accompanying instructions and eliminate the Insurance Appendix to the Form. Filing persons are now required to report revenues from insurance activities in Item 5 of the Form.

Filing persons must continue to use the SIC codes through June 30, 2001 and all parties to a transaction must use the same classification system. However, for transactions identified as Section 801.30 transactions, when the acquiring person files before July 1, 2001 with the expectation that the acquired person will file on or after July 1, 2001, the FTC recommends that the acquiring person use the NAICS codes.

Industry specific revenue data currently required to be reported in the Form by 4-digit SIC code will have to be reported by 6-digit NAICS code. Information which is currently reported by 5-digit SIC Product Class and 7-digit SIC Product Code will have to be reported using the corresponding NAICS 7-digit Product Classes and NAICS 10-digit Product Codes.

We recommend that you begin converting the revenue data in Item 5 of your most recent Form to NAICS codes and updating your base year revenue data from 1992 to 1997 as soon as possible in order to avoid delays in completing the filing of any Form on or after July 1, 2001.

For conversions of 4-digit SIC Codes to 6-digit NAICS Codes, please refer to the Bureau of Census Website at <http://www.census.gov/eped/www.html>. For conversions of 1992 5-digit and 7-digit SIC Product Codes with 1997 NAICS 7-digit and 10-digit product codes please refer to Appendix F of the 1997 Numerical List of Manufactured and Mineral Products (EC97M31R-NL). The 1997 Numerical List can be purchased by calling the National Technical Information Services (NTIS) at 1-800-553-6847 between the hours of 8:00 AM to 6:00 PM (ET) Monday through Friday.

¹ The FTC is soliciting comments regarding the effective date of July 1, 2001 and has stated that it would change it if appropriate. The comment period expires June 8, 2001. (66 Fed. Reg. 23561, May 9, 2001)

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This memorandum constitutes only a general description of the amendments to the Hart-Scott-Rodino Premerger Notification and Report Form. It is not intended to provide legal advice, and no legal or business decision should be based on its contents.

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