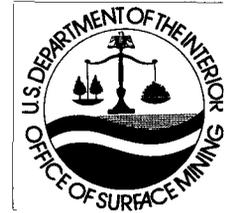


# *Applicant/Violator System Office System Advisory Memorandum*



*SAM # 11 DATE: September 17, 2009*

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## **Subject: COMPANY NAME CHANGES and MERGERS**

This System Advisory Memorandum addresses how restructuring of businesses, specifically company name changes and mergers, are shown in the Applicant/Violator System (AVS). This SAM replaces previous SAM # 10 of the same name, "Company Name Changes and Mergers," dated January 23, 1998.

### **Why is this guidance necessary?**

This SAM provides updated information regarding OSM's policies for entering and maintaining information for company name changes and company mergers in AVS. Since the previous guidance was disseminated, we, the Office of Surface Mining and the AVS Office, have redesigned the AVS operating system.

In this SAM, we discuss the requirements to accurately portray company name changes and mergers in AVS. Accurate, complete, and up-to-date information in AVS ensures efficient and effective system operation. We must continually ensure that the historical nature of the information in AVS is preserved. In order to preserve data integrity, AVS continues to disallow over-write of entity information (e.g., entity number or entity name), as this would corrupt the accuracy of the historical nature of application, permitting, and relationship information.

### **What are the Entity and Entity OFT requirements for processing company name changes and mergers in AVS?**

The procedural requirements to show a company name change or a merger are very similar. In both cases, you must update an Entity record and its Entity OFT record to show an antecedent company no longer exists. At the completion of either procedure, there should be clear evidence of an inactive Entity and its inactive Entity OFT in AVS. Following is guidance concerning entity records, the entity record Memo field, Entity OFTs, and transferring permits in these processes.

### **Entity Record**

In the case of a name change, you must create a new Entity record and an Entity OFT for the newly-formed business.

In the case of a merger, the merger may result in the need to create a new entity in AVS. The business entity resulting from a merger may be a new entity or it may be a surviving party to the merger that is already an entity in AVS. Conduct a thorough search to make sure a merger's survivor is not already an entity in AVS.

**Entity Memo Field**

Use of the Entity Memo Field is critical when documenting name changes and mergers in the computer system. Anyone browsing AVS should be able to recognize from the status of company relationships that a business has ceased to exist. However, using the Memo Field makes it immediately evident from the entity record as to the status of an entity involved in a name change or merger.

For name changes, indicate the entity's previous name in the Memo Field of the new entity and the new entity name in the Memo Field for the previous entity. Use the abbreviation "n/c" for "name change" in the Memo Field to indicate the company's new and previous names and the date the name change occurred. Below is an example of name change notation in the Memo field. The example is not intended to represent actual or accurate information in AVS.

Name Change: Previous Entity

Entity Number: 084730
Entity Name: Peabody Coal Co
* First Name:
Middle Name:
Alias:
Tax ID: xxxxxxxx
Memo: n/c to Peabody Coal Co LLC (156664) on 07/11/2005
Created: xx/xx/xxxx
Updated: xx/xx/xxxx
Source: xxxxx
Entity Type: business
Locked: N

Name Change: New Entity

Entity Number: 156664
Entity Name: Peabody Coal Co LLC
* First Name:
Middle Name:
Alias:
Tax ID: xxxxxxxx
Memo: n/c from Peabody Coal Co (084730) on 07/11/2005
Created: xx/xx/xxxx
Updated: xx/xx/xxxx
Source: xxxxx
Entity Type: business
Locked: N

For mergers, indicate in the Memo Field for each company dissolved as the result of a merger that it/they merged into a survivor or new entity and the effective date of the merger. It is important to note we have most often observed that the result of a merger shown in AVS, whether between two entities or among more than two, is a name change of the survivor entity. Below are examples of merger notation in the Memo Field. The examples are not intended to represent actual or accurate information in AVS.

Merger Example # 1

Entity Number: 147977  
 Entity Name: RAG American Coal  
 \* First Name:  
 Middle Name:  
 Alias:  
 Tax ID: xxxxxxxxx  
 Memo: Merged into Cyprus Amax  
 Coal (142085) on 07/01/2000  
 Created: xx/xx/xxxx  
 Updated: xx/xx/xxxx  
 Source: xxxxx  
 Entity Type: business  
 Locked: N

Merger Example # 2

Entity Number: 142085  
 Entity Name: Cyprus AMAX Coal  
 \* First Name:  
 Middle Name:  
 Alias:  
 Tax ID: xxxxxxxxx  
 Memo: RAG American Coal  
 (147977) merged into Cyprus Amax  
 Coal on 07/01/2000  
 Created: xx/xx/xxxx  
 Updated: xx/xx/xxxx  
 Source: xxxxx  
 Entity Type: business  
 Locked: N

**New Entity OFT for Name Changes and Mergers**

You should end every relationship in a decedent company to show that it ceases to exist. The ending date for these relationships must be no later than the effective date of the name change or merger. For the new entity, re-enter every active relationship that you ended out in the previous company, with a beginning date no earlier than the effective date of the name change or merger, for the new company. You must link the old company(ies) to the new company. Show the new company to be the parent entity of the old company(ies), and therefore, show the old company as a sub-entity of the new company. Use the relationship description "Name Change" or "Merger" whichever applies. The beginning date will be the effective date of the name change or merger. Below is an example of the Entity OFTs for the New Company and the Old Company as a result of a name change (or merger; See footnote). The example is not intended to represent accurate information in AVS.

**New Company Entity OFT**

Parent Entity	Sub Entity	Desc.	Begin	End
Peabody Coal Co LLC	Peabody Coal Co	Name Change <sup>1</sup>	7/11/2005	
Peabody Coal Co LLC	John Doe	President	7/11/2005	
Peabody Coal Co LLC	Sara Smith	Secretary	7/11/2005	

<sup>1</sup> Alternatively, indicate "Merger" whichever is applicable.

Old Company Entity OFT

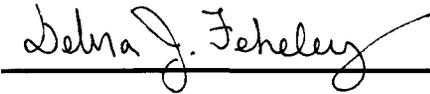
<u>Parent entity</u>	<u>Sub Entity</u>	<u>Desc.</u>	<u>Begin</u>	<u>End</u>
Peabody Coal Co	John Doe	President		7/11/2005
Peabody Coal Co	Sara Smith	Secretary		7/11/2005

**Transferring Permits**

All active pending applications and issued permits in AVS, including permits solely in reclamation, must be transferred from the decedent business entity to the new business entity as well as from all parties to a merger that hold permits, to the newly-formed merger entity.

**Where can I obtain more information on company name changes and mergers?**

If you have questions regarding company name changes and mergers information in AVS, please contact your AVS User Assistance Liaison at 1.800.643.9748.

**Signed:**   
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**Debra J. Feheley, Chief  
Applicant/Violator System Office**