



DA

June 2, 1983

This material may be subject to the confidentiality provision of Section 7A (b) of the Clayton Act which restricts release under the Freedom of Information Act

Mr. Dana Abrahamson
Federal Trade Commission
Washington, D.C. 20580

Re: Premerger Notification

Dear Mr. Abrahamson:

Based upon numerous conversations with you over the last eighteen months, I have advised my client that the following proposed acquisition is not reportable under the Hart-Scott-Rodino Antitrust Improvements Act. If you disagree with any of the advice I have given, please advise me promptly so that my client can make an appropriate filing and observe the waiting period.

The Seller is a corporation with annual net sales and total assets each in excess of \$100 Million. It proposes to sell assets of one of its operating divisions to Newco for more than \$15 Million. Newco is a corporation which will be formed for purposes of making the acquisition. More than 50% of its stock will be held by X, a limited partnership. X's assets (it does not have "sales"), as shown on its most recent regularly prepared financial statement were less than \$10 Million.

The General Partner of X is also the general partner of another limited partnership which has assets in excess of \$10 Million. You have advised me that the Federal Trade Commission takes the position that a partnership is always its own Ultimate Parent Entity. Therefore, even though X is controlled by an entity which controls another entity with assets of more than \$10 Million, the FTC will look only to the balance sheet

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FEDERAL TRADE COMMISSION
PREMERGER NOTIFICATION OFFICE

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Mr. Dana Abrahamson
June 1, 1983
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of X to determine if the size of person test of Section 7A(a)(1) is met. Since X is not a \$10 Million Person, the proposed acquisition of assets by an entity it will control is not reportable.

Moreover, I have advised the client that formation of Newco is not reportable under Rule 801.40. Total assets to be transferred to Newco will be less than \$100 Million, and No Ultimate Parent Entity with annual net sales or total assets exceeding \$100 Million will receive 15% or more of the stock of Newco. Therefore, Rule 801.40's size of person test for contributors will not be met.

Yours truly,

[REDACTED]

[REDACTED]

[REDACTED]

~~First~~

6/2/82

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I re exemption -
- treatment only.

will have director on
file -

I advised that that
~~_____~~ is inconsistent w/
exemption

6/2/33



Notes - reviewed

1. attributable to subject's
2. actions
3. have to be

Notes - section 25 1944

riding 3. E 1944

Notes - reviewed + reviewed to
date.