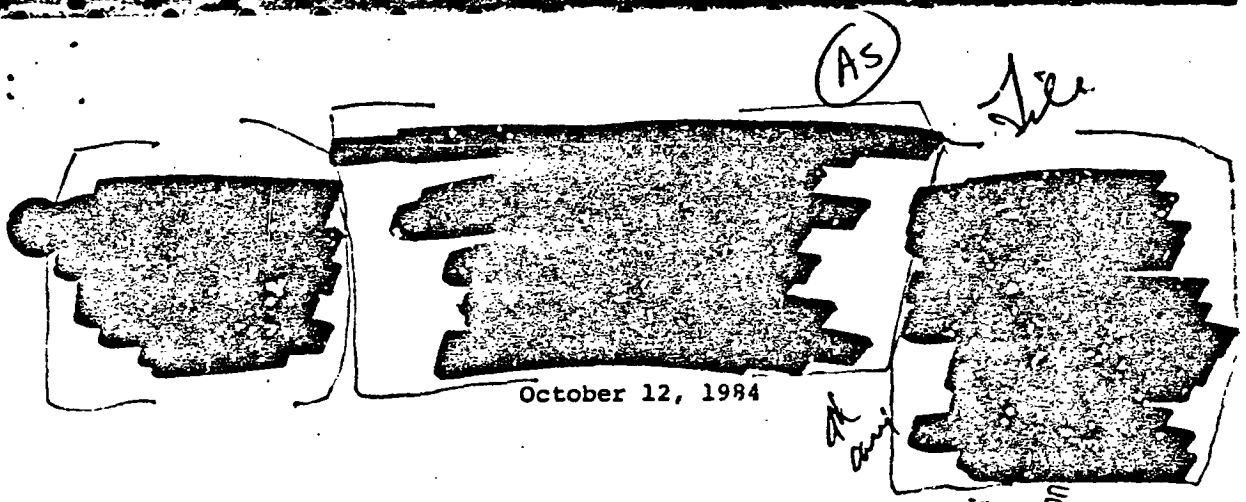

October 12, 1984

Office of Premerger Notification
Federal Trade Commission
Washington, D.C. 20580

Attn: Andrew Scanlon, Esq.

Dear Mr. Scanlon:

I am sending this letter as a follow-up to our telephone conversation of today in which I described the following transaction. I shall only state facts relevant for HSR analysis and shall not, for example, detail facts relating to the interrelationship between Holding Co. and its direct and indirect subsidiaries and to different minority interests of various entities.

1. Holding Co., a company with over $100 million in total assets or net sales, through a majority owned subsidiary, will purchase a restaurant by acquiring a majority of the voting securities of T, Inc. and two affiliated corporations.

2. Holding Co. will pay approximately $13 million for its interest of the voting securities of T, Inc. and the two affiliates.

3. The shareholders of T, Inc. and one affiliate corporation are individuals W, X, and Y and trust Z. The percentages of shares are approximately 25 percent each. X and Y are not related. Y is the uncle of W. The shareholders of the second affiliate corporation are individuals W, X, Uncle Y, Y's sister-in-law, and K. No one shareholder has over 21.25% and, in any case, W, Uncle Y, and Y's sister-in-law's holdings do not fall under HSR attribution rules.

4. Trust Z is a testamentary trust set up for the benefit of Y's sister-in-law. Since it is a testamentary trust, the settlor cannot revoke it and has no reversionary interest in the trust. The trustees are individuals X and Y as well as attorney Q.

5. Holding Co. in this transaction will also purchase certain real estate related to the operation of the restaurant for $1.8 million. This real estate is currently owned by five separate "non-manufacturing" corporations. There is no majority shareholder in any of these five corporations.

6. We concluded that the ultimate parent entities on the selling side are T, Inc., the two affiliate corporations, and the five separate corporations who own the real estate. Since all of these entities are not in the manufacturing business, we must look to their total assets and not sales to determine the size-of-the-person test. The total assets of T, Inc., according to its last regularly prepared balance sheet, is approximately $5.9 million and thus does not meet the size-of-the-person test. None of the other selling entities have over $10 million in assets. In fact, all of the ultimate parent selling entities, including T, Inc., do not exceed $10 million in assets collectively. Thus, this transaction is not reportable, whether or not it is viewed as one transaction or a series of separate transactions, since there is no selling entity or any group of selling entities whose total assets are $10 million or more.

7. Along with this transaction (hereinafter the "Holding Co. transaction") in which Holding Co. will buy the securities of T, Inc., its two affiliate corporations and the real estate, individuals A and B, who are not related, each of whom have 32.8 percent of the voting securities of Holding Co., will form a partnership to purchase certain additional real estate tracts (hereinafter the "Additional Real Estate"). In this newly formed partnership, there will also be certain minority interest partners, including W, but individuals A and B will hold the majority interest. It is a common business practice for private investors to purchase real estate through a partnership such as the one formed to purchase the Additional Real Estate.

8. The Additional Real Estate is related to the operations of T, Inc. but for certain business reasons Holding Co. is not the entity purchasing the Additional Real Estate. The value ascribed to the Additional Real Estate is approximately $4.65 million.

9. The Additional Real Estate is owned by three different corporations to coincide with three different tracts. The ownership of these three different corporations

are in approximately the same ownership proportions as T, Inc., but also may include some other shareholders as well.

10. Thus, the question centers on whether the Additional Real Estate transaction should be considered with or "added on to" the Holding Co. transaction. We concluded that the Additional Real Estate transaction must be viewed separately from the Holding Co. transaction for HSR purposes. Although the Additional Real Estate transaction is referred to in the same agreement as the Holding Co. transaction, and is very much connected to the Holding Co. transaction, it should be treated for HSR purposes as a separate transaction because the newly formed partnership, the purchasing entity of the Additional Real Estate, is itself its own ultimate parent entity as opposed to Holding Co., which is the ultimate parent entity in the other transaction.

11. The Additional Real Estate transaction will not be reportable since, among other reasons, the partnership will not meet the size-of-the-person test as it will not have $10 million or more remaining after it purchases the Additional Real Estate.

12. In conclusion, we determined this matter involves at least two different transactions for HSR purposes since they are accomplished through different purchasing entities and that neither transaction is reportable.

If you have any questions or disagree with this conclusion, please let me know.

With best regards,

Sincerely,

[redacted]