[redacted]

November 4, 1985

Patrick Sharpe, Esq.
Compliance Specialist
Pre-merger Notification Office
Bureau of Competition
Federal Trade Commission
Washington, D.C. 20580

Dear Mr. Sharpe:

This letter confirms our telephone conversation wherein we described a proposed transaction involving [redacted] and a wholly owned subsidiary, [redacted]. Based upon facts as related to you by us, you have concluded that the transaction will not require Pre-merger Notification pursuant to the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976 (the "Act").

The facts which we today represented to you are as follows: [redacted] will form a wholly owned subsidiary [redacted] which, together with another general partner, will form a limited partnership (the "Partnership"). [redacted] will have a 50% interest in the Partnership; the other general partner (a corporation to be formed by the current chief executive officer of [redacted] will own a 42-46% interest, and other members of present [redacted] management will own, collectively, 4-8% of the Partnership in capacities as limited partners.

The Partnership will be capitalized by a $200,000 contribution from [redacted], approximately $180,000 from the other general partner, and approximately $20,000 from the limited partners. Upon formation and completion of funding from a commercial lender, the Partnership will acquire from [redacted] 100% of the stock of [redacted] The Partnership will borrow approximately $23,000,000; virtually all of the bank borrowings, $21,500,000, will be paid over directly to [redacted] to fund the acquisition of the [redacted]ock, and approximately $1,500,000 will be allocated to initial working capital. The Partnership will have no other original capitalization or assets other than set forth above.

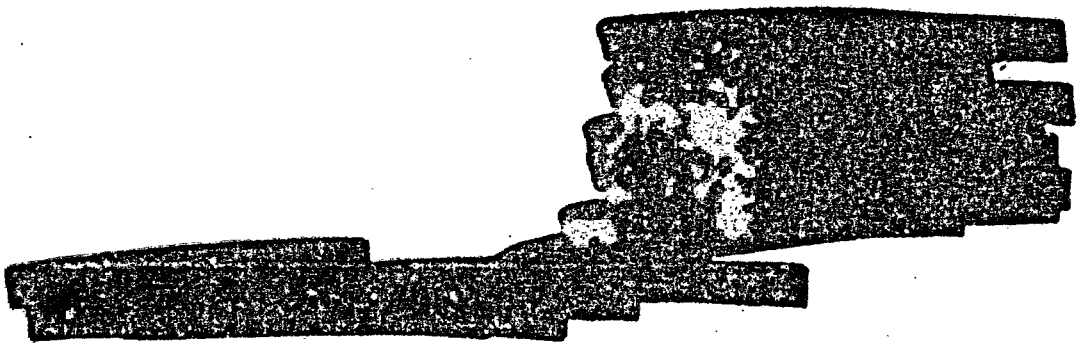
Based upon the foregoing, the Federal Trade Commission ("FTC") has concluded that the proposed acquisition of the stock of [redacted] by the Partnership will not trigger reporting under the Act. We understand that it is the position of the FTC that the Partnership, as an Ultimate Parent Entity as defined in regulations promulgated under the Act, is of insufficient size to meet its half of the "Size of the Parties" test stated in

Section 7A(a)(2) of the Act, in that borrowings to effect the acquisition are disregarded in determining the size of the Partnership pursuant to such Section.

We recognize that the opinion of the FTC recited herein is based solely upon the facts represented above, and in the event the posture of the transaction varies materially from that stated above, we will again re-evaluate applicability of the Act and the FTC will not necessarily opine in the same manner.

Thank you for the opportunity to discuss the tranasaction, and for your help in analyzing issues raised relating to the Act.

Very truly yours,



I concur
called Mr.
11-8-85. BS.

Dana Abrahamsen

Look ok to you?

[redacted] not identified

Analysis that it is exempt as part of formation of Jt Venture ptb ? is one possible basis of analysis.

Alternatively, if ptb is regarded as newly formed & w/o regularly prepared balance sheet using all monies put in as capital "depository units" to make the acquisition, then it is below 10 MM in size because of "pass through" rule & ∴ exempt.

Wayne 11/7/85