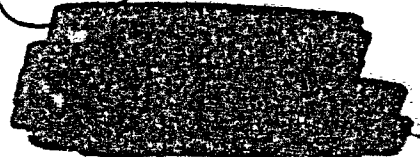


(AS)



*File*

November 22, 1985

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

RECEIVED  
NOV 26 10 41 AM '85  
FEDERAL TRADE COMMISSION  
HOMERIDGE  
OFFICE

Mr. Andrew Scanlon  
Compliance Specialist  
Premerger Notification Office  
Bureau of Competition  
Federal Trade Commission  
Washington, D.C. 20580

RE: Premerger Notification Requirements Under  
the Hart-Scott-Rodino Antitrust  
Improvements Act of 1976

Dear Mr. Scanlon:

This letter will confirm our telephone conversation on November 20 regarding the purpose and implications of the premerger notification requirements contained in 15 U.S.C. §18a(b)(1) (the "applicable statute").

Prior to our telephone conversation, we reviewed the applicable statute and concluded that it applies to any proposed acquisition which meets the minimum requirements specified in the statute (the "reportable transaction"). The statute requires that the Federal Trade Commission ("FTC") and the U.S. Department of Justice ("DOJ") be notified in writing of any reportable transaction, and also specifies that a minimum waiting period must pass prior to the consummation of the acquisition in question. Further, we concluded from the statute that certain types of acquisitions, such as leasing transactions, are not reportable transactions and are exempted from the notice and waiting period requirements described above (the "statutory requirements"). During our conversation, you confirmed that our understanding of the statute was correct. You also indicated that the purpose of the statute is to enable the FTC and DOJ to investigate potential antitrust violations prior to the consummation of any reportable transaction.

*except finance (capital) leases*

[REDACTED]

Mr. Andrew Scanlon  
November 22, 1985  
Page 2

You further stated during our conversation that compliance with the statutory requirements described above has absolutely no bearing upon whether a proposed transaction violates other antitrust laws or will have an anticompetitive effect on an existing market. You also stated that a non-reportable transaction could still be subject to investigation and/or prosecution by the FTC or DOJ for violating other antitrust laws. Finally, you were in agreement with our conclusion that notice of an exemption from the statutory notification requirements should not be construed as a determination that the transaction is also in compliance with other antitrust laws.

We believe that the foregoing accurately summarizes the statements which you made during our November 20 telephone conversation. We will assume that you concur with the statements contained in this letter unless you advise us otherwise. If you object to any statement contained herein, you have agreed to notify our firm in writing within ten (10) days from the date of receipt of this letter. *minutes*

For your information, we believe that certain [REDACTED] officials may also request an explanation from you regarding the general implications of the premerger notification statute. We understand that the [REDACTED] is concerned about the antitrust implications of a proposed lease transaction involving [REDACTED] owned assets, and may require clarification regarding the significance of the premerger notification requirements. We will provide [REDACTED] officials with a copy of this confirmation letter to assist them in evaluating the antitrust implications of the proposed lease transaction. Further, we will refer [REDACTED] officials to you if they require further explanation regarding the statute.

Thank you for your assistance in this matter.

Very truly yours,  
[REDACTED]

[REDACTED]

[REDACTED]

Dana Abrahamsen

11-25-85  
10:25 AM

John,  
I plan to call  
back today and  
tell him that the  
office thinks his deal  
is reportable. Any  
thoughts?

I've left Wayne's  
note attached to  
the letter.

I agree with us in the  
case of the V/S deal preceding the  
acq. deal, but the reverse we  
have to look beyond the V/S  
acquisition in order to apply our  
original position that the acq. of all  
of the corp interest is being acquired.  
We look through acquisition to  
see if the primary condition  
secondary V/S acquisition. Here,  
and we had said corp interests are  
not V/S, we would be picking up an acq. deal

# A LITTLE MEMO FROM DANA

Thoughts?  
at 30% interest acq'd  
through acq of corp K is exempt  
However acq of balance (70%) of  
ptp interests (not ptp interests) gives  
a 100% of ptp & thus is an acq.  
by A of ptp & assets from ptp K.  
Value is fair mkt value of assets  
being acq'd. (could be 28 MH  
or more).  
Wayne 11/25/85