

(SP)

[REDACTED]

if you think this is reportable

[REDACTED]

December 10, 1966  
This material may be disseminated only to those persons who have a need to know and who are authorized to receive it under the provisions of the Freedom of Information Act

Mr. Joseph Price  
Premerger Notification Office  
Federal Trade Commission  
Sixth Street & Pennsylvania Avenue  
Washington, D.C. 20580

Joe - This looks OK to me

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PREMERGER NOTIFICATION OFFICE  
VIA FEDERAL EXPRESS

Dear Mr. Price:

Confirming our conversations yesterday and this morning, we represent an entity with sales or assets substantially in excess of \$100,000,000 which intends to sell substantially all of the assets of two indirectly but wholly-owned subsidiaries to another entity with sales or assets substantially in excess of \$100,000,000. The purchase price will be \$14,000,000. In addition, the purchaser will assume rights and duties under various equipment leases with remaining payment obligations in excess of \$1,000,000.

While the assets in question are more than 15% of the assets of the particular subsidiaries, they represent less than 15% of the assets of the Ultimate Parent Entity. Accordingly, the Size of Transaction Test for reporting the transaction under Section 7A of the Clayton Act will be satisfied only if the fair market value of the assets to be acquired is deemed to be \$15,000,000 or more.

In reliance on our telephone conversations, I have advised my client that it need not treat the entire amount of the remaining equipment lease payments as an "assumed liability" which must be added to the cash purchase price to determine if the \$15,000,000 threshold is met. Rather, only the amount, if any, by which the lease payment obligation exceeds the value of the leased equipment, need be aggregated with the purchase price.

Accordingly, the transaction is reportable only if the Board of Directors of the "Acquiring Entity" determines in good faith within 60 days of the closing date on the transaction that the fair market value of the assets it is to acquire exceeds \$15,000,000 or that the aggregate amount of payments to be made under the equipment leases exceeds by \$1,000,000 or more the fair market rental value of the equipment. We do not anticipate that either occurrence is likely.


Mr. Joseph Price  
December 17, 1986  
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The client plans to consummate the sale in the very near future. Therefore, I would appreciate a call at your earliest convenience confirming that the planned transaction, under the facts described in this letter, is not subject to the premerger notification and waiting requirements of Section 7A of the Clayton Act.

Once again, thank you for your very prompt and helpful assistance in this matter.

Best wishes.

Yours truly,

A large, dark, irregularly shaped redacted area covering the signature and name of the sender.A small, dark, rectangular redacted area above the word "Enclosure".

Enclosure

A large, dark, irregularly shaped redacted area below the word "Enclosure".