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Mr. Dana Abrahamson  
Federal Trade Commission  
Sixth Street & Pennsylvania Avenue, NW  
Washington, DC 20580

Dear Dana:

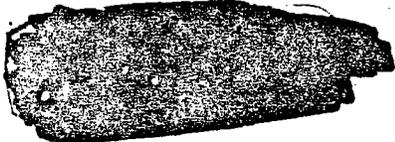
Confirming our conversation of today, the reporting and waiting requirements of Section 7A of the Clayton Act do not apply to the following leveraged buy-out transaction.

A. THE ACQUISITION

A is an ultimate parent entity with sales or assets exceeding \$100 million. A will sell substantially all of the assets of an operating division and a subsidiary to a new corporation B, for aggregate consideration exceeding \$15 million. More than 50% of the voting stock of B will be held by C, a limited partnership. C will therefore be B's ultimate parent entity for purposes of determining whether the "Acquiring Person" holds \$10 million or more in sales or assets. One or more of the partners in C has sales or assets of more than \$10 million. Because, however, a partnership is always deemed to be its own ultimate parent, the holdings of its partners need not be considered.

C's most regularly prepared balance sheet shows total assets of \$5.8 million, consisting principally of convertible preferred stock in two corporations, other minority stock interests, and cash or cash equivalents. In addition to these assets, C has the discretionary contractual right to call on its limited partners to contribute up to \$32 million in additional capital. In accordance with generally accepted accounting principals, C's accountants (an independent outside, "big eight" accounting firm) have placed no value in this contractual right in calculating the value of C's assets. For purposes of Section 7A of the Clayton Act, C is deemed to be smaller than a \$10 million person. Because the "Acquiring Person" is not at least a \$10 million person, the acquisition is not reportable.

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



B. THE FORMATION OF B

The formation of B does not satisfy the requirements of Section 801.40, and is therefore not reportable. Neither C nor any other contributor to B has annual net sales or total assets of \$10 million or more.

Yours, truly,

