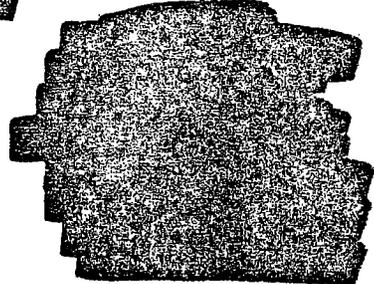
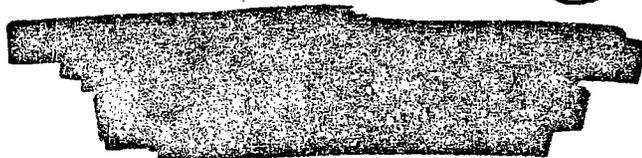
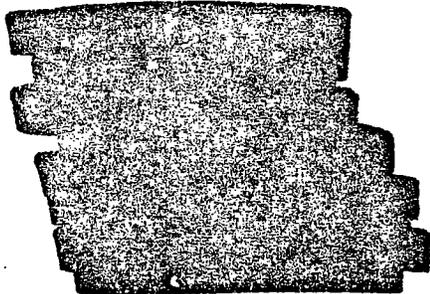


(Aw)

file



November 28, 1984

Premerger Notification Office
Bureau of Competition
Room 301
Federal Trade Commission
Washington, DC 20580

ATTENTION: Addie Williams, Esquire
Compliance Specialist

This material may be subject to
provision of
Section 605
of the
Freedom of Information Act

DEC 3 10 08 AM '84

Dear Ms. Williams:

I am writing to confirm our telephone conversation today in which you advised me that the following transaction would be non-reportable, that is, the filing of a Premerger Notification Form would not be required:

The proposed transaction is a purchase of voting stock and assets constituting a division of a large manufacturing concern. The purchase price for the division is approximately \$110 million, which will be financed largely through bank loans to be secured by the assets of the acquired division. This is a leveraged buy-out. The acquired division and its parent have sales and assets valued at more than \$100 million. The acquiring company is wholly owned by several current executives of this division and has no ultimate parent entity. The acquiring company is a shell; this shell has no sales history, no assets and no financial statements. At the closing of the transaction, when the loan will be made and the proceeds will be delivered to the seller, the acquiring company will have, ever so briefly, cash exceeding \$10 million, all of which will be used to purchase the acquired division. I understand your advice to be that the transaction would not be reportable because the acquiring company would not meet the size-of-person test on the

[REDACTED]

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grounds that it has never had any sales; has no assets reflected on any financial statements; and will not before the acquisition have assets exceeding \$10 million except loan proceeds that will be earmarked for making the acquisition.

Thank you for your advice and assistance in this matter.

Very truly yours,

[REDACTED]

[REDACTED]

OK upon later
review by W&K
3/9/87