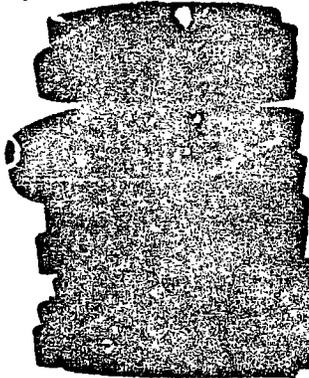


(DA)

file



April 25, 1985

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PREPENSEN
NOTIFICATION
OFFICE

Mr. Dana Abrahamson
Federal Trade Commission
Room 301
6th Street and Pennsylvania Ave., N.W.
Washington, DC 20580

Dear Mr. Abrahamson:

I am writing to confirm the substance of our telephone conversation of April 23, in which you indicated that no filing under the Hart-Scott-Rodino Act would be required for our client's planned purchase of the [redacted], which will be structured as described below.

The franchise and other assets of the [redacted] will be purchased and held by the [redacted] which is being organized under the [redacted] [redacted], a [redacted] controlled by [redacted] will be the [redacted] another Texas corporation controlled by [redacted] on, will be [redacted]. All other investors will be limited partners.

The Managing General Partner and the Special General Partner will together own approximately 30 percent of the Partnership. The remaining approximately 70 percent will be divided among the limited partners. Generally, they will each be required to purchase at least five percent, although the Managing General Partner has the authority to waive this minimum requirement in individual cases.

The Partnership will purchase the franchise and almost all of the assets of [redacted] limited partnership controlled by [redacted]

investor. The purchase price is approximately \$70,000,000. The Partnership will simultaneously obtain from the State of [REDACTED] certain amendments to the [REDACTED] to the [REDACTED] and may obtain leases from the State on certain lands to be used as [REDACTED] facilities for [REDACTED]

The transaction will be financed through funds contributed by the investors, in proportion to the percentage ownership of each; and by two major loans, one from [REDACTED] and one from a bank. The investors will also commit to making further contributions, as necessary to pay the principal and interest of the loans. However, these may also be paid in part out of the Partnership's operating income.

The Partnership will not come into existence until shortly before the deal is to be consummated. It will have no operating history and no audited financial statements.

The Partnership will have no substantial business interests other than the [REDACTED] and related activities, such as the [REDACTED]. The rules of the [REDACTED] require that an owning entity's principal business be and remain the operation of a [REDACTED]. Furthermore, the rules prohibit owners, including the general and limited partners, from owning, directly or indirectly, any interest in any other [REDACTED]

We understand it to be the policy of the Federal Trade Commission that a (newly-organized) partnership is an ultimate parent entity for purposes of the Hart-Scott-Rodino Act. We also understand your position to be that, until it engages in its first acquisition, such a partnership has no assets, and therefore is deemed not to meet the asset levels that trigger operation of the Act. No

Accordingly, we understand there would be no need for the Partnership to file a notification under the Hart-Scott-Rodino Act, assuming the transaction takes the form described above. We do realize that once the Partnership acquires the team or any other major asset, its subsequent acquisitions may come within the purview of the Act. However, acquisition of further State leases, even if considered an acquisition of assets, would be exempt from the Act because the Partnership would acquire them from the [REDACTED]

Please contact me promptly if the above discussion does not accurately reflect your understanding of our conversation, or if for any other reason you believe a filing may be required with respect

[REDACTED]

to the proposed transaction. Also, please contact me if you require any additional information.

Sincerely,

[REDACTED]

[REDACTED]

Reviewed 3/10/87 FAH

Incorrect that Pip has no assets until
makes acquisition. Total assets (assuming
no bal. sheet) include all assets held at
begin, less cash used as consideration
✓ w/s of mgmt.