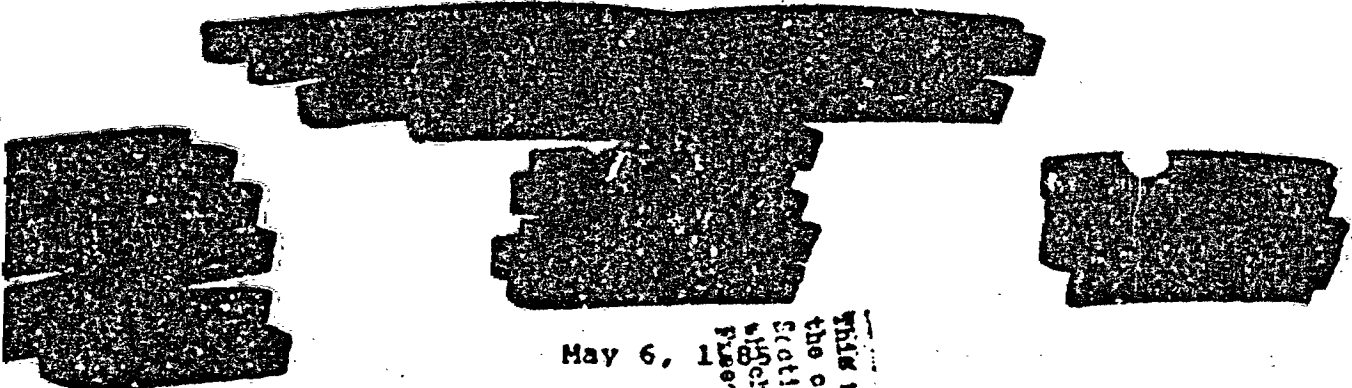


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May 6, 1985

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

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PRE-MERGER
NOTIFICATION
OFFICE

BY HAND

Dana Abrahamsen, Esq.
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
Room 301
Washington, D.C. 20036

Dear Mr. Abrahamsen:

In recent conversations with [redacted] and myself, you have described the FTC's current position on the treatment of acquisitions made by newly formed entities. On the basis of those conversations, we understand that acquisitions (of either voting securities or assets) by newly formed entities are not covered by the Hart-Scott-Rodino Antitrust Improvements Act of 1976 so long as the conditions set forth below are satisfied:

- a. The entity must be its own ultimate parent entity.
- b. The entity must neither have a balance sheet nor be required by law or by GAAP to prepare a balance sheet.

[REDACTED]

Dans Abrahamson, Esq.

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May 6, 1985

- c. The entity (including all other entities it controls) must not have net sales of \$10 million or more.
- d. The entity (including all other entities it controls) must not have assets of \$10 million or more (i) net the assets to be used as consideration in the acquisition of the acquired person's voting securities (or assets) and (ii) net the value of any previously acquired voting securities of any entity within the acquired person (whether or not the voting securities of that entity are the subject of the current acquisition).

You have explained that the rationale for this position is that a newly formed entity satisfying these conditions do not meet the size of persons test.

I believe this letter accurately summarizes the substance of our telephone conversations with you. If it does not, please contact me as soon as possible.

Thank you.

Sincerely,

[REDACTED]