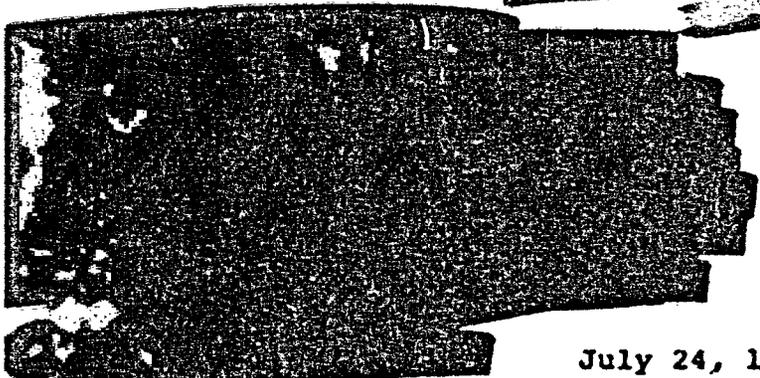


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File



July 24, 1985

VIA COURIER

Andrew Scanlon, Esq.
Bureau of Competition,
Premerger Notification
Federal Trade Commission
Room 303
Sixth & Pennsylvania Ave., N.W.
Washington, D.C. 20580

Handwritten signature and date: 7/25/85

A294-2

Re: Lease assumptions

Dear Mr. Scanlon:

This letter is intended to memorialize our telephone conversation of this morning concerning the question of when the assumption of leases as part of an assets acquisition counts toward the purchase price of the acquisition for purposes of premerger notification under the Hart-Scott-Rodino Antitrust Improvements Act.

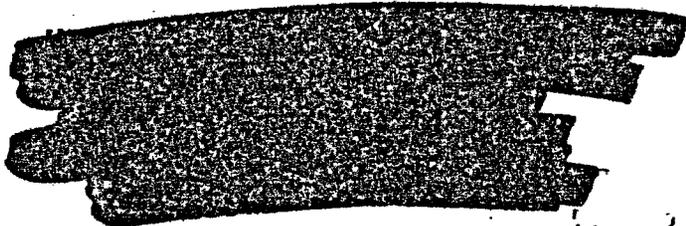
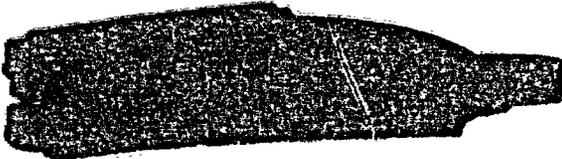
Our firm represents a client which plans to acquire assets and assume real property and equipment leases in an asset acquisition. While the purchase price of the assets is less than \$15,000,000, the amount of payments due under the leases to be assumed could, if added to the purchase price of the plant, equipment and inventory being acquired, exceed the \$15,000,000 reporting threshold of the Hart-Scott-Rodino Act.

You stated in our telephone conversation that if none of the leases' terms changed when assumed by the acquiring party, the leases would not count toward the purchase price of the acquisition either as assets or as liabilities assumed by the acquiring party. As long as the acquiring party simply steps into the acquired party's shoes under the leases, there is no dollar value assigned to this assumption.

Andrew Scanlon
July 24, 1985
Page 2

If this letter accurately summarizes our conversation, please initial the enclosed copy and return it to us for our records. Please contact me if you do not agree with the conclusions stated above. Thank you very much for your cooperation.

Very truly yours,

A large, dark, irregularly shaped redacted area covering the signature and the beginning of the name of the sender.A dark, irregularly shaped redacted area covering the name of the sender.