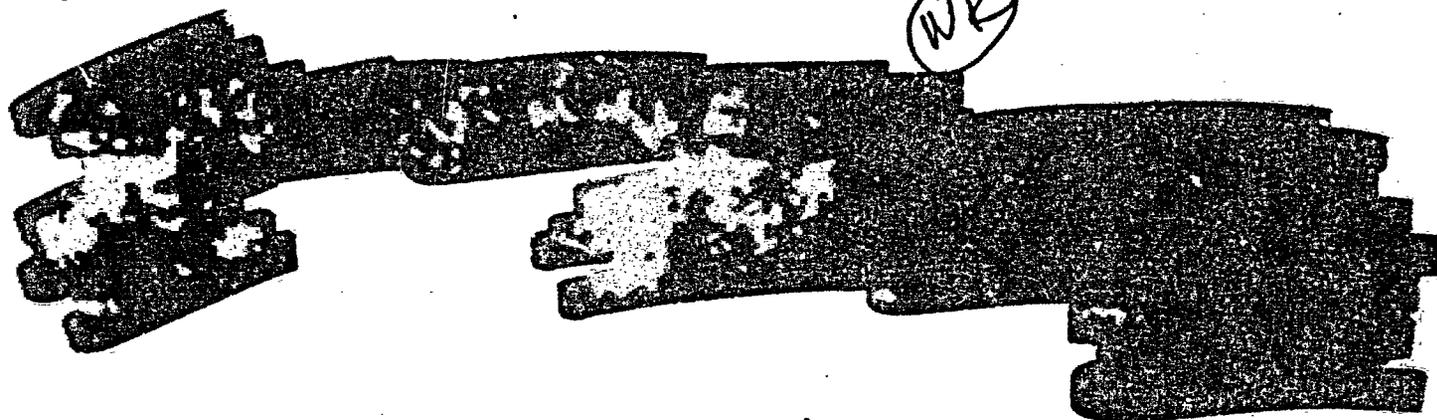


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September 13, 1985

Mr. Wayne Kaplan
Federal Trade Commission
6th & Pennsylvania Avenue N.W.
Room 303
Washington, D.C. 20580

IS FEDERAL TO BE SUBJECT TO
THE
Sec
FEDERAL TRADE COMMISSION
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Dear Mr. Kaplan:

On August 27, 1985 we spoke over the phone concerning a merger which this firm is handling for a client. The facts of that transaction are as follows: the acquiring company, with assets in excess of \$1,000,000,000, is purchasing 100% of the outstanding shares of the acquiree, valued at less than \$15,000,000. The acquiree, a mortgage banker, has assets in an amount of between \$10,000,000 and \$15,000,000, and annual revenues of less than \$25,000,000. However, no assets are being acquired.

You stated that, assuming the truth of the above facts, the contemplated transaction would fall within the "Minimum Dollar Value" exemption (16 CFR §802.20) to the Hart-Scott-Rodino Act (15 U.S.C. §18a), for the following reasons:

1. The transaction is subject to the Act by virtue of 15 U.S.C. §§18(a)(1), (a)(2)(B), and (a)(3)(A);
2. The acquiring company's ownership of 100% of the stock would satisfy 15 U.S.C. §18a(a)(3)(A), as required by the exemption;
3. Mere ownership of 100% of the voting stock of a company will not result in the owner being deemed to "hold" the corporate assets; therefore, since the securities are valued at less than \$15,000,000 and no assets would be held, 15 U.S.C. §18a(a)(3)(B) would not be satisfied, as required by the exemption;

Mr. Wayne Kaplan
September 13, 1985
Page 2

4. For the same reason noted in 3. above, the acquiring company will not "hold" assets of the acquiree valued at more than \$15 million, as required in subsection (a) of the exemption;
5. The acquired company has assets of less than \$15,000,000 and annual net revenues of less than \$25,000,000, satisfying subsection (b) of the exemption. With respect to the latter, you stated that annual net revenues would be the equivalent of the statutory "annual net sales" for purposes of an acquiree business which is a mortgage banker.

We hereby request that you provide us with an informal written opinion confirming the applicability of the exemption to the transaction described and the accuracy of each of the above five points. Furthermore, we ask your confirmation with respect to the point raised in 3. above, that ownership of 100% of voting stock of a corporation does not constitute holding the assets of such corporation and the point in 5., that annual net revenues is the equivalent of annual net sales. We realize that any written opinion would be only an informal one, but we would greatly appreciate your assistance in this matter.

Thank you very much. If I can be of any assistance to you, do not hesitate to contact me.

Very truly yours

*I called and orally confirmed.
9/16/85
Wayne Kaplan*