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[redacted]

February 10, 1986

This material may be subject to the confidentiality provision of Section 7A (h) of the Clayton Act which restricts release under the Freedom of Information Act

RECEIVED FEB 18 11 25 AM '86 PREMERGER NOTIFICATION OFFICE

Linda Heban, Esq.
Office of Pre-Merger Notification
Bureau of Competition
Room 303
Federal Trade Commission
Washington, D.C. 20580

Dear Ms. Heban:

This letter will serve to confirm our telephone conversation of February 7, 1986, wherein I described the following transaction. ABC Corporation and DEF Corporation are unrelated entities, both of which have over $100-million in net sales or total assets under the Rules and Regulations of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (hereinafter the "Rules and Regulations"). Each corporation will form a wholly owned corporate subsidiary. These corporate subsidiaries in turn will enter into a newly formed partnership which will hold 100% of the voting securities of the newly formed GHI Holding Corporation. GHI Holding Corporation will hold 100% of the voting securities of its newly formed subsidiary, JKL Corporation.

JKL Corporation will commence a tender offer for the outstanding voting securities of MNO Corporation, an entity also with over $100-million in net sales or total assets under the Rules and Regulations. The tender offer will be for at least 51% of the outstanding voting securities of MNO Corporation, and once JKL Corporation has acquired at least 51% of the voting securities of MNO Corporation, it will effect a merger in which MNO Corporation will survive as the wholly owned subsidiary of GHI Holding Corporation. If JKL in consultation with the MNO Board of Directors determines that a tender offer is inappropriate, JKL intends to proceed directly with the merger of MNO with JKL with MNO as the surviving corporation.

[redacted]

ABC Corporation and DEF Corporation will have their respective subsidiaries contribute to the partnership either directly or by way of third party financing the amount of capital required to purchase the number of shares in MNO Corporation in order successfully to accomplish the tender offer, or merger as the case may be. ABC Corporation and DEF Corporation will not contribute any more funds other than what is required successfully to accomplish the tender offer or merger.

We concluded that the transaction is not reportable since the ultimate parent entity of the acquiring company is the partnership, and the partnership will not meet the size of the person test. The partnership will not have net sales or total assets at the time it makes the tender offer of $10-million exceeding the consideration paid to the tendering shareholders of MNO Corporation. Further, as I stated to you, there are several bona fide business and tax reasons for ABC Corporation and DEF Corporation to utilize a partnership entity in this situation.

If this letter is not correct, or if it does not accurately set forth our telephone conversation today, please advise me as soon as possible.

Very truly yours,

[redacted]

2/19/86 Called him to tell him that letter is essentially accurate - Emphasized that rule only applies to entities w/ no regularly prepared balance sheet. He verified that this was so in this case.