

(P5)



March 24, 1986

Federal Express

Mr. Patrick Sharpe,  
Compliance Specialist  
Room 301  
Federal Trade Commission  
Washington, D. C. 20580

Mar 25 10 50

Dear Patrick:

I am writing to confirm our telephone conversation of Friday. I represent a manufacturing corporation which is negotiating to be acquired by a holding corporation. The acquisition will be accomplished through a merger of the holding company's subsidiary into my client. The holding company is wholly-owned by a general partnership consisting of three partners, no one partner of which owns greater than 50% of the partnership. Further, I understand that no partner has the contractual power to designate a majority of the persons exercising functions similar to those of corporate directors in the management of the partnership's affairs.

You stated that, for purposes of the size-of-the-parties test of the Hart Scott Rodino Antitrust Improvements Act of 1976, the Federal Trade Commission deems a partnership to be its own ultimate parent entity (absent extreme circumstance). If the partnership fails to meet the applicable size test, the premerger notification requirements will not apply.

It is my understanding that the partnership involved in this acquisition has less than \$10,000,000 in sales or assets. In addition, it is my understanding that the partnership is in fact its own ultimate parent entity because no extreme circumstance, such as the partners in the partnership being corporations wholly-owned by a single entity, exists. Accordingly, I have concluded that the premerger notification requirements do not apply to this acquisition.

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I believe that this conclusion is consistent with our conversations of Friday. If, however, you have any questions concerning any of the statements in this letter that negatively impact my conclusion, please contact me by telephone at your earliest convenience. My direct line is [REDACTED]

Cordially,

[REDACTED]

[REDACTED]

I concur. However, I reminded Ms. Thomas about our proposed acquisition vehicle role that may change this position in the future

called [REDACTED]  
[REDACTED] 3-25-86  
4:21 P.M.