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April 29, 1988

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VIA FEDERAL EXPRESS

Mr. Wayne Kaplan
Premerger Notification Office
Bureau of Competition, Room 303
Federal Trade Commission
6th Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

MAY 2 11 11 AM '88

Re: Notification requirements in connection with formation of a Partnership

Dear Mr. Kaplan:

This letter is to confirm the advice you gave the undersigned during a telephone conversation on Wednesday, April 27, 1988, regarding the Federal Trade Commission's (the "FTC's") position under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act") and the regulations promulgated by the FTC thereunder (the "Regulations") with respect to the formation of a partnership and the contribution of assets to the partnership by the partners upon its formation.

Our client, Corporation A, will form a partnership, Partnership X, with another corporation, Corporation B. Corporation A and B will each hold a 50% partnership interest in Partnership X which will entitle each to 50% of the profits and 50% of the assets upon dissolution. Both corporations will be general partners of Partnership X. Corporation A and Corporation B are unrelated, and each is, or is included within, a "person" within the meaning of Regulation 801.1(a)(1) that has total assets in excess of \$100 million.

Mr. Wayne Kaplan
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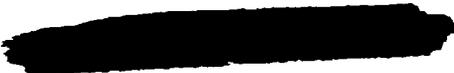
2.

Corporation A will contribute exclusive distributorship rights for two of the products it manufactures along with its current customer list for these products, and Corporation B will contribute exclusive distributorship rights to one or two of its products along with its current customer list for these products. The distribution rights and customer lists of Corporation A and Corporation B each have a fair market value in excess of \$15 million.

Over the telephone, you advised the undersigned that the formation of Partnership X and contribution of the above assets would not require the filing of a Notification and Report Form under the Act as long as the parties had agreed to contribute these specific assets upon formation of Partnership X rather than deciding at a time after formation what assets they will contribute. You advised the undersigned that formation of the partnership is not covered by §801.40 since that rule applies only to the formation of corporations, nor is it covered by any other provision of the Regulations or the Act. You stated, however, that once Partnership X is formed, any subsequent transactions between Partnership X and Corporation A or Corporation B would be separately subject to the Act, and the intraperson exemption contained in §802.30 would not be available even though both Corporation A and Corporation B are deemed to control Partnership X under §801.1(b)(1)(ii) since Partnership X and Corporation A and Corporation B are not the same person "by reason of holdings of voting securities."

We also understand that the advice of the Justice Department's Antitrust Division need not be sought regarding the matters described above since it follows the FTC's advice on such matters.

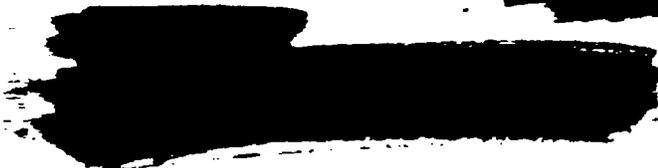
Please know that, in reliance on your advice, the parties to the proposed transaction described above do not intend to file a Notification and Report Form with the FTC or the Justice Department in connection with the proposed transaction.


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The parties would like to consummate the transaction in the very near future. Accordingly, if you are unable to concur with any part of the foregoing summary of your telephone conversation with the undersigned, or if you have any questions or further comments, we would appreciate your contacting the undersigned not later than May 9, 1988. Thank you for your assistance.

Very truly yours,



OK
Wayne Kaplan 5-2-88