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

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October 6, 1988

Notification and Report Form
Filing Requirement

Dear Mr. Smith:

The purpose of this letter is to confirm your response during our telephone conversation on October 4, 1988, that the formation of and the asset transfers to the joint venture partnership described below will not require the filing of a Notification and Report Form ("H-S-R Form") pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and the rules promulgated thereunder by the Federal Trade Commission.

The Proposed Joint Venture

Corporation A, a United States corporation with total assets and annual net sales each exceeding \$100 million, and Corporation B, a United States corporation with total assets and annual net sales each exceeding \$100 million, will create a joint venture in the form of a partnership. Corporation A will transfer to the joint venture net assets valued at approximately \$10 million and cash in the amount of \$10 million. Corporation B will transfer to the joint venture net assets valued at approximately \$37 million. Concurrently with the formation of the joint venture, the joint venture will borrow \$18 million and pay such amount to Corporation B as partial consideration for its contribution.

You indicated on the telephone that the formation of the joint venture would not require the filing of an H-S-R Form because it will be in the form of a partnership and not in the form of a corporation. Further, you indicated that even though the size of the parties and the size of the transaction might otherwise require the filing of an H-S-R Form, no H-S-R Form need be filed in connection with this transaction because it involves the formation of a joint venture. Finally, you stated that although the payment of \$18 million by the joint venture to Corporation B as partial consideration for Corporation B's transfer of assets might otherwise require the filing of an H-S-R Form, in this case the payment and the transfer of assets are part of the formation of the joint venture, and therefore no H-S-R Form need be filed by any of the parties involved.

*not-corporate
A*

checked with Pat and Wayne

Very truly yours,



*10/7 called
[redacted] - advised
that letter is of
801.90 (avoidance
device) is always
an issue and
we will continue
to monitor. We
are also studying
partnership formation
"loophole" and rules
may be changed
RBL*

Richard Smith, Esq.,
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Bureau of Competition, Room 303,
Federal Trade Commission,
Washington, D.C. 20580