

Answered 12/27/88
Non-Reportable (JK) (BR)

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December 21, 1988

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VIA FEDERAL EXPRESS

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

Re: Filing Requirements; Ultimate Parent Entity

Dear Mr. Kaplan:

Thank you for your time on the telephone today. The following is a description of the transaction I was discussing with you:

1. A partnership will be buying a \$20 million [REDACTED] from another partnership. This [REDACTED] constitutes substantially all of the assets of seller. Thus we know that the \$10 million or more test is met for the seller, and we are trying to determine if the \$100 million or more test is met for the buyer, and if so, who the ultimate parent entity is.

2. The buying partnership is, and will be minimally funded, and, until it buys the [REDACTED], it will have assets of less than \$1 million. The general partner of the buying partnership is a corporation which is and will be minimally funded, and until the [REDACTED] is purchased, it will have assets of less than \$1 million.

3. The buying partnership is a limited partnership and its partners and their equity interests (16 CRF 801.1(b)(1)(ii)) are as follows:

- 10% - General Partner: A corporation owned
1/2 by Father and
1/2 by his Adult Son
- 45% - Limited Partner: Adult Son
- 45% - Limited Partner: Testamentary (irrevocable) Trust for the benefit of Adult Daughter; Adult Son is the trustee

[REDACTED]

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The "voting" interests for selection of the general partner (16 CFR 801.1 (b)(ii)(2)) would in effect be held 5% by Father and 95% by Adult Son as follows:

- 5% Father through Corporate General Partner
- 5% Adult Son through Corporate General Partner
- 45% Adult Son as limited partner
- 45% Adult Son as trustee of trust for Adult Daughter as limited partner

4. Father has assets of less than \$100 million, as do Adult Son, and Adult Daughter. Their combined assets total approximately \$130 million. Most of their assets are held by a general partnership of which Father owns 50%, Adult Son owns 25% and Adult Son as Trustee of the trust for Adult Daughter owns 25%. (The general partnership is not a direct or indirect party to the purchase of this hotel.) Thus, pursuant to 16 CFR 801.1(b)(1)(ii), Father, "controls" assets of approximately \$130 million.

5. The questions then are:
Does buyer meet the \$100 million or more test?
Who is buyer's ultimate parent entity?

Please excuse the "outline" presentation of this situation, but I felt it was the clearest way to express the questions. Counsel for seller and I have been diligently researching these questions but neither of us feels sure of the answers. I thank you again for your promise to let me know your responses as soon as possible. When you are ready, please telephone me with your response so we will not have the delay of waiting for the mail.

I hope you and your family have a good holiday season.

Very truly yours,

[REDACTED]

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cc: [REDACTED]

[REDACTED]