

NOT REPORTABLE

VC

BY HAND

February 22, 1989

Victor L. Cohen, Esq.
Premerger Notification Office
Federal Trade Commission
Room 308
6th Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Victor:

The purpose of this letter is to request confirmation that the transaction described below would not be subject to the reporting or waiting period requirements of the Hart-Scott-Rodino Act.

The selling party consists of a parent corporation, two subsidiary corporations and three affiliated partnerships, all of which are collectively owned by three individuals.

Our client intends to acquire from the selling party some of the assets (including land, buildings, machinery and equipment, office equipment and leasehold improvements) of an on-going business for approximately \$12.6 million and to assume approximately \$1.7 million in liabilities of the business.

The client does not intend to acquire several assets of the selling party, including: (1) the approximately \$2.3 million of the businesses' accounts receivable¹; (2) the approximately \$5 million of debt owed to one of the subsidiaries by the parent; and (3) other tangible and intangible assets of the two subsidiaries.

[REDACTED]

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It is our understanding that in the circumstances described above, the value of the assets of the selling party which will not be acquired by the purchaser (i.e. the accounts receivable, the debt owed to the subsidiary by the parent and the other tangible and intangible assets of the two subsidiaries) will not be included in determining the acquisition price; that the total acquisition price for Hart-Scott-Rodino Act purposes will be approximately \$14.3 million (the total of the assets to be acquired and the liabilities to be assumed); and that, in these circumstances, the transaction will not be subject to the Hart-Scott-Rodino Act because the acquisition price is less than \$15 million.

I would appreciate your calling me at your earliest convenience to inform us whether the foregoing accurately applies the Hart-Scott-Rodino Act to this transaction. Thank you for your cooperation in this matter.

Sincerely,
[REDACTED]

1/ The client intends to collect the accounts receivable, for the benefit of the seller, in exchange for a fee.

NO GUARANTEE BY CLIENT ON A/R'S
THUS, NOT INCLUDE IN PURCHASE PRICE