

80130, 80131, 80132, 80133, 80134

November 18, 1994

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VIA FACSIMILE

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Re: Hart-Scott-Rodino Antitrust Improvements Act of 1976

Dear Mr. Smith:

This will confirm our conversation today concerning the application of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act") to a proposed transaction.

In the proposed transaction, [redacted] and B would form a limited partnership joint venture for the purpose of providing [redacted]. Each of A and B would hold equal interests in the partnership. Certain of A's and B's [redacted] assets would be contributed to the partnership. This transaction would be accomplished as follows: first, the partnership joint venture would be formed with nominal assets and, second, the [redacted] assets would be contributed to it. The partnership would be formed prior to the contribution of the assets to minimize [redacted] depreciation recapture and for other business purposes. Neither the formation of the partnership joint venture nor the partners' initial contributions of assets to it would occur, however, unless both steps were accomplished.

You confirmed the following application of the Act to the proposed transaction. Because the formation of a partnership is not a reportable event under the Act, the formation of the partnership by A and B would not be reportable under the Act. Further, the transfer of the [redacted] assets from A and B to the partnership would be regarded as contributions of assets to a partnership in connection with its formation for purposes of the Act and, therefore, would not be reportable under the Act.

Richard B. Smith, Esq.
Federal Trade Commission
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Please call me promptly at (202) [REDACTED] if you believe that any part of our conversation was misunderstood. Thank you for your assistance.

Sincerely,
[REDACTED]

11/21/94 - Writer confirms that A and B have agreed and intend that their respective contributions of the [REDACTED] assets to the partnership are part of its formation. The assets are reasonably comparable in value and A and B will hold equal (50/50) interests in the partnership. I confirmed that A and B's formation of this non-fee partnership was non-reportable under § 821.40.