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LAW OFFICES

March 9, 1995

**VIA FACSIMILE TO: 202-326-2624
AND ORIGINAL VIA FEDERAL EXPRESS
PRIVATE AND CONFIDENTIAL**

Dick Smith, Esquire
Premerger Notification Office
H-303
Federal Trade Commission
Washington, D.C. 20580

Re: Compliance with Hart-Scott-Rodino Statute

Dear Mr. Smith:

This will confirm my understanding, based on our conversation, that in the staff's view the following transaction is not reportable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act"). As we discussed, this firm is counsel to an entity ("Purchaser") that has contracted to acquire substantially all of the assets of another company ("Seller") pending the satisfaction of certain conditions precedent to closing.

Assume, for purposes of this letter, that the ultimate parent entity of Purchaser has in excess of \$100 million in assets and that it will acquire assets valued in excess of \$15 million from the ultimate parent entity of Seller. The issues addressed herein are who is (are) the ultimate parent entity(ies) of Seller and whether any ultimate parent entity of the Seller has sales or assets of at least \$10 million based upon its last regularly-prepared income statement and balance sheet, respectively. Set forth below are the pertinent facts.

Seller is a limited partnership. The partners of Seller are a corporation (99% general partnership interest) ("Seller's Corporate Partner") and an individual (1% limited partnership interest). The limited partner does not have the right to 50% or more of the profits or the right, in the event of dissolution, to 50% or more of the assets of Seller. Moreover, the limited partner does not have the contractual power to designate 50% or more of the individuals exercising the functions similar to a board of directors in a corporation. Therefore, we have concluded that the limited partner of Seller is not an ultimate parent entity of Seller.

[REDACTED]

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The stockholders of Seller's Corporate Partner are four individuals (a parent and three adult children). No individual stockholder holds 50% or more of the outstanding voting securities of Seller's Corporate Partner, nor does any individual stockholder have the right to 50% or more of the profits or the right, in the event of dissolution, to 50% or more of the assets of Seller's Corporate Partner. Moreover, no stockholder has the contractual power to designate 50% or more of the board of directors of Seller's Corporate Partner. Therefore, we have concluded that the ultimate parent entity of Seller is Seller's Corporate Partner.

Based upon its balance sheet as of December 31, 1994 and its statement of operations for the year then ended, Seller had assets of approximately \$3.5 million and revenues of approximately \$3.67 million. Based upon its balance sheet as of December 31, 1994 and its statement of operations for the year then ended, Seller's Corporate Partner had assets of approximately \$3.67 million (inclusive of its 99% interest in Seller) and revenues of approximately \$3.86 million (inclusive of its 99% interest in Seller). The financial statements of Seller and Seller's Corporate Partner as of December 31, 1994 and for the year then ended are attached hereto as Exhibits "A" and "B", respectively. Please note that the financial statements of Seller's Corporate Partner exclude its 99% interest in Seller.

Based upon the foregoing, our view, with which you have tentatively agreed, is that because Seller's Corporate Partner, as the ultimate parent entity of Seller, did not have sales or assets of at least \$10 million based upon its last regularly-prepared income statement and balance sheet, respectively, that the transaction is not reportable under the HSR Act.

We would appreciate receiving from you at your earliest convenience your concurrence with the conclusions set forth above. If you require any further information, please do not hesitate to contact me. Thank you very much for your consideration of this matter.

Very truly yours,
[REDACTED]

[REDACTED] 3/10/95 - Advised caller that the Corporate Partner
Enclosure must bring up the Seller's balance sheet and financial statement
(entire entity, and not just 99% thereof) and add them to its own (excluding the
value of its 99% holding in partnership in the balance sheet consolidation process. In order
to determine its size. Write confirming that Corporate Partner controls no other entity.
Therefore its consolidated sales and assets as of 12/31/94 were below 1997. Deal by
expected to close in mid-May, 1995, so date of consolidated balance sheets is within 15-month
requirement of 801.11(b)(2). Since acquired person is not a 10117 person, no
self-reporting required.
D.R.S. in the