

801.2 (a) + (b)

VIA FACSIMILE

February 27, 1998

Mr. Richard Smith
Premerger Notification Office
Federal Trade Commission
Washington, D.C.

Re: Compliance with Hart-Scott-Rodino Antitrust Improvements Act (the "Act")

Dear Dick:

One of our clients is planning to undertake a series of transactions, at least two of which will require a filing under the Act. The purpose of my letter is to seek guidance from the Premerger Notification Office regarding how to report the proposed transactions. These transactions will happen one right after the other on the same closing date. The proposed transactions are illustrated on the attached pages. As the first and second steps, a corporation (A-1), which is wholly-owned by A, and a limited liability company (LLC), which is wholly-owned by A-1, will acquire assets from two wholly-owned subsidiaries of B (B-1 and B-2). As the next steps, A-1 will transfer the assets it just acquired to a newly formed shell corporation (Sub), which is wholly-owned by a limited partnership (LP) in which A-1 has a 40% interest and C has a 60% interest, and A-1 will transfer its membership interest in LLC to that same limited partnership. As a result of these transfers by A-1 to Sub and LP, A-1's limited partnership interest in LP will be increased from 40% to 68%.

A, B and C will satisfy the size of person test of the Act. The value of the assets which A-1 is to acquire from B-1 is less than \$15 million, but the value of the assets which LLC is to acquire from B-2 exceeds \$15 million. Thus, in combination the aggregate assets to be acquired by entities controlled by A from entities controlled by B exceed \$15 million. LLC has significant assets in addition to the more than \$15 million of assets to be acquired from B-2. Sub will be a shell corporation until its acquisition of assets from A-1.

A is planning on filing a single Premerger Notification and Report Form and paying a single filing fee with respect to A-1's and LLC's asset acquisitions from B-1 and B-2. We are unclear, however, as to whether an additional filing is necessary for the transfers contemplated to LP and Sub. While C currently controls LP and Sub, after completion of the last steps in the transaction, A will control LP and Sub. Since LP is a limited partnership, A-1's increase in partnership interest from 40% to 68% should not be reportable. Thus, while LP and Sub are acquiring the assets immediately after they have been acquired by the A entities from the B entities, the ultimate parent entity of the acquiring persons (LP and Sub) and the acquired

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Page 2

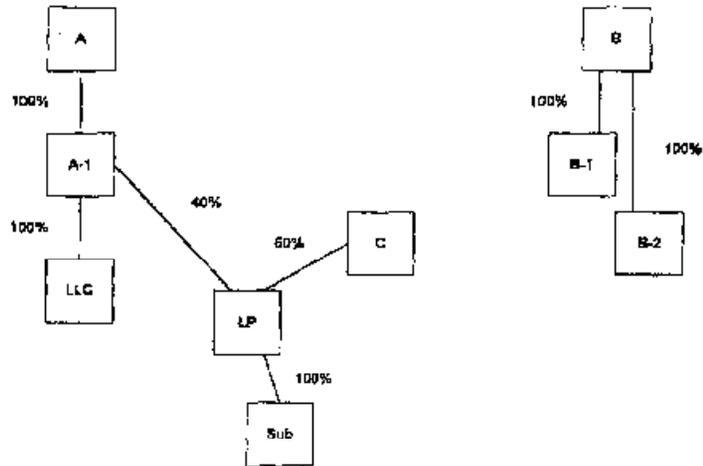
persons (A 1 and LLC) will be the same (i.e., A) at the end of the transaction (although not at the beginning). It strikes me that to make C file for the acquisitions from the A entities to be made by LP and Sub does not make sense when A rather than C will control LP and Sub after the transaction is completed.

Please telephone me at [REDACTED] after you have had the opportunity to review this letter, and let me know the Premerger Notification Office's position regarding A's filing requirements under the Act for these transactions.

Very truly yours,
[REDACTED]

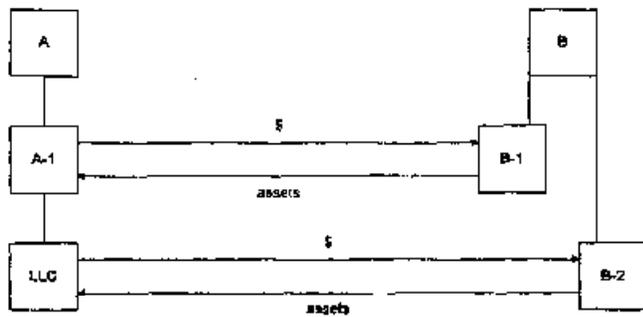
3/2/98 - Advised writer that if it is certain that A (not C) will control LP after completion of transaction, A should file as an acquiring person (by controlling LP) and B should file as acquired person. If C ends up controlling LP, then it must file as an acquiring person.
R. Smith

PRIOR TO TRANSACTIONS



STEPS 1 AND 2

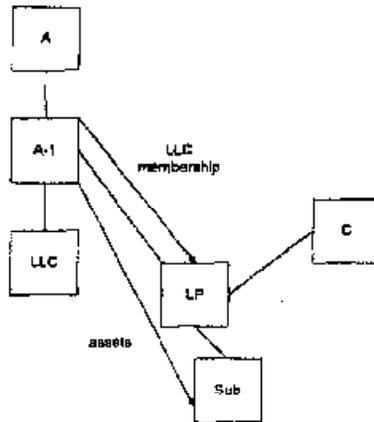
A-1 acquires assets from B-1
LLC acquires assets from B-2



STEPS 3 AND 4

A-1 transfers the assets acquired from B-1 to Sub
A-1 transfers sole membership in LLC to LP

As a result of these transfers, the ownership percentages of A-1 and C in LP are adjusted



RESULTING STRUCTURE

