

Federal Trade Commission
Premerger Notification Office
Sixth Street and Pennsylvania Avenue, N.W.
Washington, DC 20580

Attention: Andrew Scanlon

This document may be subject
to the provisions of the Clayton Act
and the Hart-Scott-Rodino Antitrust
Improvements Act of 1976.

NO. 11
U.S.

FEB 12 1987

We spoke yesterday with Andrew Scanlon regarding the
merger transaction entered into by one of our clients.

Mr. Scanlon, we are writing to advise you of the transaction in
the hope that you will concur with our conclusion that a filing
under the Hart-Scott-Rodino Antitrust Improvements Act of 1976
("H-S-R") is not required.

Our primary business is the manufacture of
footwear for work, sport and leisure. Its net sales in fiscal
1986 were approximately \$109,000,000. Our principal
business is the tanning of cattlehides into leather for shoe

the end of its last fiscal year (June 30 1986), it had a

1982 through the end of 1986 [redacted] request, advanced substantial sums to [redacted] effort to assist it through its financial difficulties. At December 30, 1986, immediately before the acquisition transaction in question

[redacted] sale-leaseback transaction in 1985 whereby [redacted]

On December 31, 1986, having been advised by [redacted]

[redacted] did the following:

1. It purchased [redacted] shares of Common Stock of [redacted] (representing approximately 97% of the outstanding Common Stock) from [redacted] at a per share price of \$1.0301 for an aggregate purchase price of \$1,000,000. The purchase price was paid by cancellation of [redacted] obligation to repay an advance in that amount under a Production Agreement dated June 18, 1982 between [redacted]
2. It purchased [redacted] existing bank loan in the face amount of approximately \$8,000,000 from the bank at a substantial discount.

Given the size and nature of the acquisition transaction, R-S-R was not considered. In preparing documents for a [redacted] merger, however, the question of R-S-R's applicability was raised. We, therefore, called the Federal Trade Commission and spoke to Mr. Scanlon. While obviously unable to give us a definitive answer on the telephone, Mr. Scanlon suggested that the acquisition might be exempt under § 802.63(a). Based on our review of § 802.63(a), we believe the acquisition described in this letter should be exempt from

[redacted] advised the Company not to proceed with the

[redacted] conclusion that a filing is not required in the

questions Please call me [redacted]

Very truly yours

2/17 T/C [redacted]
I advised her that 802.63
was not broad enough to
include the transaction
described that [redacted]
is in violation of [redacted]

[redacted] acquisition she
made property
she will submit
those filings

Orup
2/17/89