

(AS)

(AS)

File

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

March 5, 1987

10.11.87

Andy Scanlon
Federal Trade Commission
6th Street and Pennsylvania Ave., N.W.

Re: Pre-Merger Notification Requirements

Dear Mr. Scanlon:

Pursuant to our conversation on March 3, 1987, I have enclosed the following details on a probable acquisition for your evaluation on whether my client must report such an acquisition pursuant to Section 7A of the Clayton Act. As you may recall, we tentatively concluded that the acquisition was probably too small to require reporting, or alternatively, would be exempt under Section 802 (20).

The general facts are as follows:

Our client [REDACTED] a wholly owned subsidiary of [REDACTED] the

by two investors, and the 10,000 remaining shares are held by management. [REDACTED] is [REDACTED] 65,000 shares at a cost of between \$21.50 and \$25.00 per share

investment banker). Each shareholder has equal voting rights.

The company assets for 1986 amounted to under \$1M (the company's liabilities and shareholder's equity of course matched this figure). The company's net sales (May 31, 1985 to May 31, 1986) exceeded, only marginally \$1M. The figures for May 31, 1986, to May 31, 1987, we hope, will exceed this amount but probably not by any substantial sum.

...the value of his personal worth is unknown to me, but I believe that it does not exceed the value of the ultimate parent

Therefore, as I understand the prerequisite for filing under the Clayton Act, we are not required to submit pre-merger notification documents as the acquired person (and its ultimate parent entity) are valued at a figure of less than \$10M. Accordingly, an exemption under 802 (20) need not be considered. If you have a different opinion or need additional information before you can give me your evaluation, please so advise me. May I also ask: What if the competitive dynamics of the industry are affected?

Your courtesies are appreciated.

Sincerely,

[Redacted signature block]

3/13/87 TC

[Redacted name] Scanlon
advised that this was
not negotiable under HSR because
it did not meet the size of
person test, but that the
negotiable status under HSR
did not exempt any transaction
from all antitrust laws.