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[REDACTED]

Material may be subject to
the jurisdiction of
the Commission under the
Information Act

[REDACTED]

March 12, 1987

Mr. Wayne Kaplan
Federal Trade Commission
Sixth Street & Pennsylvania Avenue Northwest
Washington, D.C. 20580

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6-11-87

Following transaction is not subject to premerger reporting

substantially all of the assets of a corporation with sales in excess of \$100,000,000, for a purchase price which exceeds \$15,000,000. Newco will be its own "Ultimate Parent Entity" because no person or entity will directly or indirectly "Hold" 50% or more of its stock (quoted terms in this and following sentences

because its initial contribution other than cash to be used to


the transaction will not be reportable.

Moreover, the formation of Newco will not be reportable under
to contribute more than \$10,000,000 (but less than \$100,000,000)

owned subsidiaries of the same Ultimate Parent Entity, and accordingly their respective acquisitions of stock in Newco (aggregating 37.5%) will be deemed to be acquisitions by the same

stock in Newco is, or is controlled by, a person or entity with sales or assets of \$10,000,000 or more. Accordingly, even though other jurisdictional elements for reporting under Section 801.40 are present, the formation of Newco is not reportable.

Alternatively, the parties may decide to form a partnership as the acquisition vehicle to make the above-described acquisition. Section 801.40 does not apply to the formation of


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partnerships. The newly-formed partnership would be its own ultimate parent entity and would fail the "size or person" test for the same reasons as Newco fails to satisfy it. Accordingly, the transaction will also be non-reportable if accomplished through a partnership.

Per our past practice, please call me at your earliest convenience to confirm receipt of this letter and to advise me your opinion on reportability has changed.

Yours truly,




OK: PV 2/17/87