

Mr. Wayne Kaplan
Federal Trade Commission
Sixth Street & Pennsylvania Avenue Northwest

in in transaction is not subject to premaraer 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%

the transaction will not be reportable.

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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.

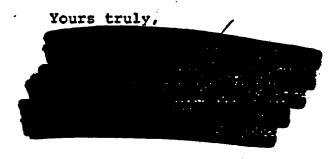
Alternatively, the parties may decide to form a partnership as the acquisition vehicle to make the above-described acquisition. Section 801.40 does not apply to the formation of

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partnerships. The newly-formed partnership would be its own furnmate rarent Entity and would rail the "bize of rerson" 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

your opinion on reportability has changed.



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