

June 23, 1987

This material may be subject to the confidentiality provision of Section 7A (h) of the Clayton Act which restricts release under the Freedom of Information Act

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Wayne Kaplan, Esq.

Premarner Notification Office

Federal Trade Commission
6th Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

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The purpose of this letter is to confirm your recent telephone conversations with concerning the provisions of Section 801.11(b)(1) of the rules promulgated by the Commission (the "Rules") under the provisions

whether a natural person satisfies the size-of-the-parties test under the Act and the Rules. Specifically, this will confirm our understanding that Section 801.11(b)(1) permits the elimination

The term "nonduplicative" makes clear that the



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subtracting the asset already reflected would be to count the same assets twice.

43 Fed. Reg. 33450, 33473 (1978).

Consistent with the foregoing, we have eliminated

Specifically, we have eliminated from the total assets of Mr. A, certain notes receivable (the "Notes"), the payees of which are certain of the entities included in the "person" of which Mr. A is the ultimate parent entity (the "Person"). Mr. A is the maker of the Notes. The value of the Notes has been eliminated in our calculations because the value of certain assets purchased with funds loaned to Mr. A (and evidenced by the Notes) by certain of the entities included in the Person has already been included in

the accountants in preparing such recomputed linancial statements comply with the provisions of the Act and the Rules. Accordingly, information concerning assets included and assets excluded in our computations is set forth below.

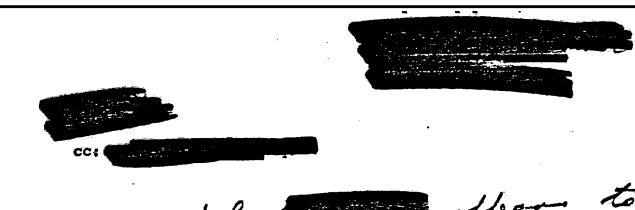
Preliminarily, please be advised that the recomputed financial statements of Mr. A include the value of all "investment assets" held by Mr. A and the value of all assets held by each entity included in the Person, disregarding liabilities but less depreciation. 16 C.F.R. Sections 801.1(i)(2), 801.11(b), (d).

Based upon the foregoing, we have concluded that the recomputed financial statements prepared for Mr. A, solely for purposes of determining whether the size-of-the-parties test has been satisfied, have been prepared in accordance with the provisions of Section 801.11(b)(1) of the Rules. Further, we have concluded that such financial statements are "regularly prepared" financial statements under Section 801.11(c) of the Rules. Finally, we have concluded that Mr. A has no reporting obligation under the lot and the Rules, since the value of the

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We intend to rely upon the conclusions set forth in the preceding paragraph. Please telephone the undersigned

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penieved by accordance affeor to be in accordance with general accounting principles 6/24/17

OK WEK 6/24/87 Cash

U.S. Treasury Bills (Note 1)

MR. A

ENTITIES CONTROLLED BY MR. A

Fixed Assets - Net Accumulated Depreciation

Other Receivables (Note 5)

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Secretary (1) Received to the result of the



Note 1 - U.S. Treasury Bills are marked-to-market with the closing bid prices.

Note 2 - The estimated current values for Marketable Securities were determined as follows:

Stocks - Quoted closing prices

Note 3 - The estimated value of Notes Receivable represent the outstanding principal plus accrued interest as follows:

> Demand Note dated with interest @ 10%

Demand Note dated with interest @ 10%



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Note 4 - The estimated current value of the

Accumulated Depreciation

Cost

is -

Mr. A

Entities Controlled by Mr. A

by Mr. A

Accounts receivable from Mr. A to one of the entities controlled by Mr. A