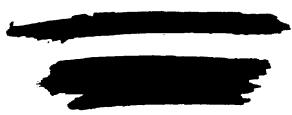
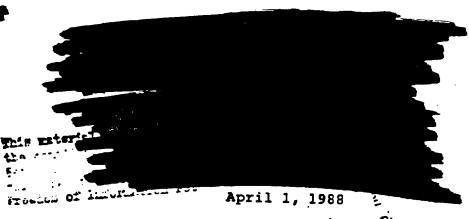
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## BY HAND

Wayne E. Kaplan, Esq.,
Federal Trade Commission,
6th and Pennsylvania Ave., N.W.,
Room 315,

you conveyed to me by telephone on February 3, 1988 regarding the reportability of a transaction under the Hart-Scott-Roding act The transaction under the transaction

Company A will contribute a

("the property development") to a newly-formed partnership in exchange for

\$56.5 million to the partnership in exchange for the other 50 percent interest. Shortly after formation of the partnership, Company A will receive a cash distribution from the partnership of approximately \$56 million. However.

Company A and Company B are both \$100 million persons within the meaning of Section 7A(a)(2). ٠.٠

it will continue to own a 50 percent interest in the partnership.\*

I reasoned that under the Premerger Notification Rules, the formation of a partnership is not a reportable event. See, e.g., 43 Fed. Reg. 33,487 (July 31, 1978). Similarly, the distribution of cash from a partnership is not reportable. Although the proposed transaction is not

\$ 801.90.

You advised me that the staff had considered this

staff had decided that filings in these circumstances were unnecessary for two reasons: 1) most transactions involve real estate or other kinds of partnerships that raise no antitrust issues; and 2) a filing is required if one partner buys out the other.

I will continue to rely on your prior advice that the above-described transaction is not reportable unless I hear from you to the contrary prior to April 13. Please do not hesitate to call me you have questions

duvice in any way.

Thanks again for your attention to this matter.

Sincerely

We did not discuss whether the transaction might be exempt as a transaction in the ordinary course of business.

Conformed that the 1987 annount to the control rule did not character the position in \$301.40, i.e., that the furnition of mentarporate joint vertices are not position in \$301.40, i.e., that the furnition of mentarporate joint vertices are not position in \$301.40, i.e., that the furnition of mentarporate joint vertices. As