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April 8, 1988

BY HAND

John M. Sipple, Jr., Esquire,
Senior Attorney,
Premerger Notification Office,
Room 300,
Federal Trade Commission,
[illegible]
Washington, D.C. 20580.

Dear Mr. Sipple:

On April 1, I wrote to Wayne Kaplan and described a proposed transaction in which Company A will contribute a newly-developed office building, a newly-opened hotel, and related assets ("the property development") to a newly-formed partnership in exchange for a 50% interest in [illegible] partnership in exchange for the other 50% interest, and shortly after the partnership is formed, Company A will receive a cash distribution from the partnership.

The parties decided not to structure this transaction as a sale to B of an undivided one-half interest in the property development because they want to operate the development through a single entity; that is, through a partnership or a corporation. It is difficult to operate ongoing businesses such as office buildings and hotels as jointly owned assets because third parties, such as suppliers, contractors, bankers, etc. must then deal with [illegible] that owns the assets can deal directly with third parties.

The decision to form a partnership rather than a corporation was made to avoid the double taxation of corporate dividends. The parties intend to jointly own and operate the property development for a long period of time and they expect to receive a stream of income from the assets. Accordingly, the tax benefits of forming a partnership rather than a corporation are significant.

Thank you again for your attention to this matter. Please do not hesitate to contact me [redacted] if you have questions.

Sincerely,

[redacted]

cc: Wayne Kaplan, Esquire

[illegible] the writer that this transaction was structured as proposed before HSR was ever considered. [illegible]
[illegible] in this