[redacted]

This material may be subj[redacted]
the confidentiality provi[redacted]
Section 7A (b) of the Clay[redacted]
which restricts release unde[redacted]
Freedom of Information Act

July 28, 1988

Dear Mr. Kaplan:

Thank you for your phone call in response to my letter of July 26. This letter will confirm our conversation today regarding the reportability of the same transaction, which I had outlined as follows:

[redacted]

100% of the voting securities of Company (a $100 million person). [redacted] has no 50% shareholder. The acquisition [redacted]

be assumed, will result in [redacted] acquiring control of Company. Sufficient financing has been arranged to allow [redacted] to buy the tendered shares. At the second stage, [redacted] and Company will merge, and any untendered shares will be cashed out. At this point, the surviving entity will borrow funds substantially in excess of those needed to finance the acquisition of Company; these amounts will be well in excess of $[redacted] million and will not be borrowed until the closing of to the merger.

You explained today that, for purposes of §801.40(c) the full amount of the financing for which agreements have been secured is included in determining the size of [redacted] even though these amounts will not actually be borrowed [redacted] Therefore

reportability will turn on whether any contributor will hold $15 million in voting securities o[redacted] pursuant to $802.20. Assuming that the largest contributor t[redacted] will be contributing only about $5 million and that the contributors will not guarantee loans t[redacted] the formation of [redacted] would not be reportable.

Moreover, the acquisition of Company b[redacted] is not reportable because, pursuant to $801.11(e), [redacted] will not have $10 million in assets at the time of its acquisition of Company.

I trust you will let me know if this is not consistent with our discussion. I appreciate your assistance.

Sincerely,

[redacted]

Wayne Kaplan, Esq.
Premerger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
Washington, DC 20580

VIA FEDERAL EXPRESS

c[redacted]

7/29/80