

[REDACTED]

April 18, 1989

is subject to
provision of
Tayton Act
under the

APR 18 3 46

FEDERAL TRADE
COMMISSION
PREMISES NOTIFICATION
OFFICE

VIA TELECOPY

Compliance Specialist

Direct 11.04

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Federal Trade Commission

Dear Mr. Sharpe:

On April 6, 1989, I wrote to you for the purpose of confirming your informal interpretive advice regarding a proposed acquisition that I had described to you in an earlier letter dated March 27, 1989. Copies of both letters are attached to this letter. Based upon our telephone conversation of yesterday, I am writing to clarify what your interpretive advice is with respect to the given fact situation. The confusion that has arisen is a result of my characterization of the annual statement of income to be prepared with respect to the revenues attributable to the transferred assets as being a "pro forma" statement. I understand from our conversation that the staff objects to reliance upon "pro forma" financial statements since it does not consider such statements to be "regularly prepared."

and expenses related to assets disposed of by Company A which assets will not be transferred to Newco. This statement will

statements and consistent with future Newco annual income statements. The restated annual income statement, along with the balance sheet of Newco prepared after the transfer of assets from Company A, will be the first in a series of regularly prepared financial statements of Newco.


[REDACTED]

Mr. Patrick Sharpe
April 18, 1989
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I understand your advice to be that Company A and Company B may rely on the restated annual income statement in availing themselves of the exemption under 16 C.F.R. § 802.20 because it is the first in a series of regularly prepared annual income statements because its preparation is consistent with

respect to this particular situation.

Very truly yours,



Enclosures



I concur with this
PS - 4-19-89

