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[REDACTED]

June 6, 1989

VIA HAND DELIVERY

Mr. Patrick Sharpe  
Federal Trade Commission  
Sixth & Pennsylvania Ave., N.W.  
Room 303  
Washington, D.C. 20580

Dear Patrick:

This confirms our telephone conversation yesterday in which you advised that the following fact pattern does not create a filing requirement under the Hart-Scott-Rodino Act.

*Note: assuming all size thresholds are met*

A & B are the only partners in 3 partnerships. A portion of B's interest in the partnerships was financed by a credit agreement with A. B is now suffering serious financial problems and is in default under the terms of the

credit agreement. B is also in default under the terms of the partnership agreements because of its failure to pay its

As part of a bona fide debt work-out, A proposes to acquire B's interest in the 3 partnerships. A will then hold all of the interest in the partnerships. On occasion.

No aspect of the transaction, including the credit agreement, has been used as a device to avoid compliance with the Hart-Scott-Rodino Act.

Based on the foregoing facts, you advised that A's proposed acquisition of B's interest in the 3 partnerships would be exempt from the requirements of the Hart-Scott-Rodino Act (15 C.F.R. § 202.2(a)(2)(i) (Exemptions by Creditors.))

*Note: It is not involved in Banking, Finance or insurance.*

Mr. Patrick Sharpe  
June 6, 1989  
Page Two

Please let me know whether the foregoing accurately states the view of the Premerger Office.

Thank you.

Sincerely,

A large, solid black rectangular redaction covers the signature and name of the sender. The redaction is composed of several overlapping horizontal bars, completely obscuring any text underneath.

I advised [REDACTED] to send in a letter concerning this matter because it seemed to me it should be open to discussion.

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can only apply if it is in the ordinary course of business of the acquiring person (insurance, banking, finance companies). Yet, I seem to recall that Wayne Kaplan told me that section 802.63 ~~should be read literally to cover any case involved in a~~ *bonafide* bonafide-debt-workout. As a result, I gave the advice shown in the letter.

I think this advice is wrong. Section 802.63 should be read to mean just what was written. The transaction should be in the ordinary course of business. I think the rules and the statement of basis and purpose support this position. Please let me have your view on this matter.

called [REDACTED]  
6-8-89 and advised  
him to file under HSR  
The initial advice was  
wrong.