

November 13, 1990

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Marion Bruno, Esq.
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
Washington, D.C. 20580

Section Testricts Telegration Act

Re: <u>Hart-Scott-Rodino Filing Requirements</u>

Dear Ms. Bruno:

This letter is to confirm our conversation today during which the following fact pattern was discussed:

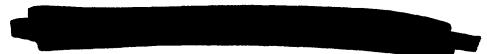
1. Company A agrees to sell Companies B and C to Companies D and E, for a total purchase price of \$10 million.

commerce, and size-of-the-transaction tests.

- 2. Initially, Companies D and E each will purchase 15% in Company B and in Company C. leaving Company A with a 70% stock interest in Company B and in Company C. This transaction is to be completed by December 31, 1990.
- 3. Companies D and E each agree to buy the balance of the stock in Companies B and C, i.e., each will purchase 35% in

4. Another entity, Company F, will have an option, to be exercised between stages one and two, to purchase up to 50% of

and C total more than \$25 million. Neither of these Companies is publicly traded.



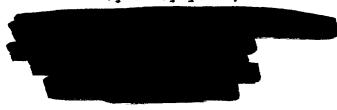
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that Rule § 802.20 exempts Companies D and E from filing at stage one, since each will only acquire 15% of Companies B and C, and the total purchase price is \$10 million, \$3 million of which will be paid at this juncture. Should Company F elect not to exercise its option, it will be necessary for companies A, D and E to file before companies D and E acquire the balance of the stock in

Companies B and C, bringing their respective interests in these companies to 50%. Pule & 202 20 will no longer exempt the transaction because Companies B and C have assets in excess of \$25 million. I understand that Mr. Dick Smith of your office shares this view as well.

Please confirm whether this is an accurate representation of our discussion. Thank you for your assistance in this matter.

Very truly yours,



11-14-90 - Discusselwith made The clarification set out above.