

7A(c)(1)

[Redacted]

[Redacted]

[Redacted]

December 18, 1991

Richard B. Smith, Esq.
Premerger Notification Office
Room 312, Headquarters Building
Bureau of Competition

Federal Trade Commission
6th Street & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Applicability of "Ordinary Course of Business"
Exemption To Sale of Lease and Loan Receivables

Dear Mr. Smith:

This letter is to confirm the advice you provided in our telephone conversation of today, in which [Redacted] also participated, respecting the "Ordinary Course of Business"

discussed, [Redacted] and its subsidiary, [Redacted] (collectively "Seller") are engaged in financing and leasing a variety of commercial and industrial equipment.

Seller is presently considering the sale of a portfolio of 27 [Redacted] under lease to the operators

of rents under leases or an additional 19 [Redacted]

[Redacted] held currently by [Redacted] and [Redacted]

The proposed Acquiring Person is also engaged in commercial leasing. The value of the consideration to be paid for the portfolio in question is approximately \$70 million and the Size of Person Test will be met. We are advised that the Acquiring Person frequently and routinely

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The lease receivables in the portfolio arise, with one exception, from true leases in which Seller retains ownership of the underlying assets and the end-users of the assets are truly lessees. One of the leases has been accounted for as a loan/conditional sale. The identity of the account lessees in the years of the [redacted] will not change upon [redacted]

The proposed acquisition will not result in the [redacted]

[redacted] or any operating division thereof. Indeed, only a small portion of the assets of [redacted] and of [redacted] (individually and together) will be acquired, and, in any event, these units are not separately incorporated nor does either constitute an "entity" as that term is defined in Section 801.1 (a) (2) of the Rules implementing the Act. Moreover, each of these units has been [redacted]

Seller will continue after the acquisition to engage in the leasing and financing of various types of equipment from their headquarters in California and from certain other sales offices in the U.S. Seller would be willing in the future to engage in the leasing or financing of [redacted] assuming the economic terms of any such proposed [redacted] fit Seller's then-existing financial [redacted]

Based upon the foregoing facts, it is our understanding that the FTC staff is of the view that the proposed acquisition is exempt from the premerger reporting requirements of the Act by virtue of the "ordinary course of business" exemption set forth in Section 7A(c)(1) of the Act.

1991. As we discussed, closing of the subject acquisition is presently scheduled to occur on or before December 31, 1991.

[redacted]

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As always, we are grateful for your assistance and

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persons needing equipment. Since, they have appeared same person
and has full responsibility for
all maintenance and repair. [REDACTED] has
the asset and since does not need to come up with down payment (which I
at my not have) to pay for [REDACTED] up front. When take title to
purchase, it will acquire depreciation benefits. Advise that sale
falls within our criteria for exemption of lease financing arrangements
under 17 d(e)(1).
RBS

[REDACTED]