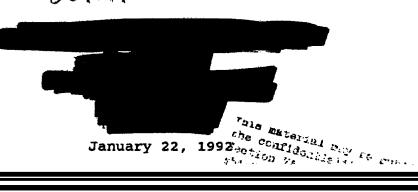
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BY FEDERAL EXPRESS

Richard Smith, Esq. Pre-Merger Notification Office, H-303 Federal Trade Commission Washington, D.C. 20580

Re:

Dear Mr. Smith:

The purpose of this letter is to request a further informal determination concerning the proposed filing of a pre-

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acquiring the assets of , a organization consisting of five related entities.

The Present Status

In our earlier letter, we indicated that the should be viewed as a single "ultimate parent entity" for purposes of the Act, and that the Act should therefore be construed as permitting a single filing, and the payment of a single filing fee. We explained that the consisted of several commonly-owned entities engaged in the operation of an integrated system, consisting of a We reasoned that, because or the virtual identity of ownership, management and business interests among the components of the

You were kind enough to give us your informal advice on this matter. As I understood it, your advice was that, because none of the component entities of the has a majority interest in the ownership, profits or assets of the others, there is among them no single "ultimate parent entity" under the regulations; and, therefore, there is no provision for departing Richard Smith, Esq. January 22, 1992 Page 2

The Proposal

The is now proposing to create a single ultimate parent entity, for the purpose of enabling it and the acquiring person to make a single filing. As you know, the consists of the following entities:

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, a corporation whose shareholders are the

a general partnership of which the are the general partners, and which owns the real estate and improvements

partnerships that own the real property in which the operates the partnerships are the and an additional outside investor who owns a minority interest in the partnerships.

The proposal in hand is that each of the will contribute to the his interests in the and, if it is not otherwise

of the interests in the profits and assets of and over 50% of the interests in the profits and assets of the result will be that the will be the

As we mentioned in our earlier letter, we believe that the sale of the assets of the falls within the

threshold under 16 CFR \$ 802.20. We noted your concern whether the assets of constitute office space for purposes of the former exemption, and if the proposal made in this letter is rejected, we will resolve that concern.

Richard Smith, Esq. January 22, 1992 Page 3

ultimate parent entity of the other organizations, and will make a single filing, as the acquired person, on behalf of the consolidated group.

This will bring the legal structure of the organization into closer conformity with its current management, administrative and financial structure. As we mentioned in our earlier letter, the same group of seven persons acts as the Executive Committee of the and of the least of

The same person is the

three organizations. On the administrative level, the share common office and other facilities, and use the same staff to perform common services; and all of the business of the or the or the

The has an integrated financial structure. Its revenues are derived from services provided to persons who are of the The has a closed consisting of the members of the and

and the made by the to to and by the to All the constituent entities share a Chief Financial Officer, and their financial

You raised two issues with this proposal: First, whether the transactions just described would themselves require a filing under the Act; and second, whether they should be disregarded as evasive.

(a) Filing requirements concerning the consolidation. We submit that the proposed acquisitions by the would not require a filing. The reason for this conclusion is that none of the entities involved has total assets or net annual sales equal to or exceeding \$100 million. Although the resulting consolidated

consolidation is consummated, the regulations require a locus on the size of the person as shown on the last regularly prepared

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	Consideration and the second s
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_	(b) Avoidance of compliance. The regulation here in
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2	of the act shall be disregarded, and the obligation to comply shall
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ç	The purpose of the consolidation of the into a single "ultimate parent entity" would be undertaken for the purpose
ζ	of permitting a single filing, rather than multiple filings.
ť	[nwover_we helique that this transation would not be affect
t	the regulation, for the following reasons:
	(1) The purpose of the Act is to require prior
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	tettesia trado de that thou our he authorized to commission. Miss
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=	(2) The emphasized words in the redulation make it
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ť	there is here a single transaction in fact: the components of an
i	integrated enterprise are being sold by their common owners to a
	ingle purchaser in one transaction for an aggregate price. The
	monosal submitted in this letter would merely alter the form of
=	Jr
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1	inancially integrated, and it would entail considerable
= 7	manctarry integrated, and it would entail considerable
= 7	Inductarry Integrated, and it would entail considerable unlication of effort to make constant filings under the last make

you would give this request your usual prompt attention, we would be very grateful. Thank you again for your cooperation. Yours truly, 1/24/92 - called adver that, in the view of the PMN office, if the f. I interest of the various es be 1 AP. intilantions should be analyged in to rate and about these of any a all entities acquired before the in dany other entity. Uf Auch work (les Augmied. (FT5 well undertobe their of Change the result. If there is no argument of allowing the results. If there is no argument of a TOOHH rive (none of the acquired entities are person of a TOOHH rive (none of the acquired Shace the substance such size , then me folling is required. of the transaction is the Group's acquisition of their entities, RBSmill