802.20

[redacted]

February 27, 1992

Premerger Notification Office
Federal Trade Commission
6th Street and Pennsylvania Ave. N.W.
Room 303
Washington, D. C. 20580

Re: Applicability of Hart-Scott-Rodino

This letter is written pursuant to 16 CFR § 803.30 to request a

(Supp. 1991) (the "Act"), and its applicability to the transaction hereinafter described.

Corporation J and its affiliates have for several years been involved in business of acquiring, holding, owning, servicing and disposing of promissory notes, loans, receivables and related assets, together with assets held, acquired or pledged as collateral therefore, including real estate, from the Resolution Trust Corporation, Federal Deposit Insurance Corporation, and other third parties. Corporation C has provided financing to corporation

[redacted]

Corporation J owns 50% of the shares of corporation W and a 49.5% limited partnership interest in WL. The remaining shares of corporation W are owned by individual S who owns 25% and individual H who owns 25%. Corporation W owns a 1% interest as the general partner of WL. Individual S also owns a 24.75% limited partnership interest in WL, with the remaining 24.75% limited partnership

[redacted]

interest in WT being owned by individual T. The transaction as

Corporation C has assets in access of $100 million. Corporation T

directors of the corporation. Based upon the foregoing facts and our reading of 16 CFR § 801.1, we believe corporation J to be the [redacted]

It is our understanding that the Act would not apply to corporation C's acquisition of the limited partnership interest in WL because a partnership interest is neither an asset nor a "voting security" within the meaning of 16 CFR § 801.1(f).

In addition, we believe based upon the foregoing facts, our

We believe the first prong of the Act, 15 U.S.C. § 18a(1), is

affecting commerce" as those terms are defined in 16 CFR §§ 801.1(l) and 801.3.

Next, it would appear that the second prong of the Act is

Finally, under the third prong of the Act, it would appear that as a result of the proposed acquisition the acquiring person (corporation C) would hold 15% or more of the voting securities or

apply based upon the satisfaction of 15 U.S.C. § 18a(3)(A); however, the transaction would not appear to satisfy 15 U.S.C. §

[redacted]

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18a(3)(B) thus giving rise to a possible exemption pursuant to 16 [redacted]

[redacted] 802.20, but which does not satisfy 18a(a)(3)(B), shall be exempt from the requirements of the Act if as a result of the acquisition the acquiring person would not hold:

(a) assets of the acquired person valued at more than $15 million; or

(b) voting securities which confer control of an issuer which, together with all entities which it controls has annual net sales or total assets of $25 million or more.

Based upon the foregoing facts and our reading of this [redacted] to apply so that it is unnecessary for the parties to this transaction to [redacted]

[redacted] the proposed acquisition of an interest in corporation W by corporation C is exempt from the reporting requirements and an interpretation as to whether the acquisition by corporation C of an interest in the limited partnership WL is reportable.

If you have any questions or need any additional information, please feel free to contact the undersigned.

Thank you for your attention to this request.

Very truly yours,

[redacted]

called [redacted] 3-5-92 - I agree with letter as drafted (since notes clear of some of the questi[redacted] RS - concurs

[redacted]

what is the siz of W.Corp?
If less than $25.0 mm in net sales and total assets then exempt under Section 802.20(b)
It is < than W.Corp.

[redacted]