

811-1(c)(1)

[REDACTED]

August 4, 1992

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FEDERAL TRADE
COMMISSION
PREMERGER NOTIFICATION
OFFICE

BY HAND

Hy Rubenstein, Esquire
Premerger Notification Office
Federal Trade Commission
Sixth Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20540

Re: Acquisition of Undivided Interests of Unrelated
Tenants in Common (Premerger Notification Prac-

The purpose of this letter is to confirm our telephone

with interpretations No. 1 and No. 83 in the 1991 edition of the
American Bar Association Premerger Notification Practice Manual,
we confirmed that the undivided interest of each unrelated tenant

the purchase price should be allocated between the tenants based
on their respective percentage interests. Thus, if two tenants
in common hold equal interests in assets that are being purchased

ate \$10 million asset acquisitions. On those facts, neither of
the two acquisitions would give rise to an HSR reporting obliga-
tion.

As I described in our conversation, the transaction in
question involves the acquisition of [REDACTED]
from two owners who are tenants in common and are unrelated
and [REDACTED] being treated as assets consistent

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stand (and we have assumed for purposes of this inquiry) that under the applicable state law, tenants in common hold undivided interests in these assets.

Under these circumstances, interpretations No. 1 and No. 83 require that each undivided interest be treated as a separate asset and that the interests not be aggregated for purposes of analyzing the HSR reporting obligation. If the tenants have equal ownership interests, the price being paid for the asset should be allocated equally between them. Assuming that the total acquisition price for all the assets is \$20 million, the transaction thus would involve acquisitions of \$10 million in assets from each of the two tenants in common. As such, there would no reportable transaction on these facts.

As I also mentioned, the two tenants in common are unrelated, so that there is no basis for re-aggregating their undivided interests. Looking specifically to a potential issue raised by interpretation No. 1, I understand (and have assumed) that the tenancy in common does not constitute a partnership.

I appreciate your assistance in confirming our HSR analysis of this transaction and the conclusion that, on these facts, it does not give rise to a reporting obligation.

Sincerely,

A large black rectangular redaction covers the signature area of the letter.