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801.1(b)
801.1(c)

[REDACTED]

September 30, 1992

This material may be subject to the confidentiality provisions of

600 Pennsylvania Avenue, N.W.
Room 321

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BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Re: H-S-R Informal Opinion

11/19/92

The purpose of this letter is to obtain the views of your office regarding whether the contemplated acquisition described below is reportable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, "The Act," or whether it is, as we believe, properly exempt as a realty transaction in the ordinary course of business pursuant to the Act and § 802.1 of the H-S-R Rules and Regulations. Over the last week we have had several discussions in which I provided you with the following hypothetical and asked you for your opinion regarding whether the acquisition is reportable under the Act.

Company B [REDACTED] and 52 percent owner, approximately 19 acres of ^{wharf} land with improvements in the form of a former distribution warehouse building. Both ^{See note}

warehouse building never has operated it in any commercial way. The last time the

Companies A, B and C are/were in different lines of business. Company A will over and above the acquisition price, of approximately \$45 million in renovation, new construction and equipment.

[REDACTED]

Patrick Sharpe, Esquire
September 30, 1992
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In response to the above hypothetical you initially stated that so long as W has ever produced an income stream it likely is considered productive assets and would not

we respectfully submit that given that:

(2) the current owner never has operated the warehouse in any

(3) improvements in the form of renovations, new construction and equipments equalling approximately four times the value of the acquisition will be completed by the purchaser to make the warehouse operational;

this acquisition is no different from one where a newly built warehouse is acquired from a developer and should qualify as an "ordinary course" realty transaction under § 802.1.

You agreed to circulate this letter within the Premerger Office and receive a consensus opinion as to the reportability of the described hypothetical. Please call me

to discuss or if you have any questions.
Thank you very much.

Sincerely,
[REDACTED]
[REDACTED]

... I talked to both parties and have found that the
[REDACTED]

also the beneficiaries. Consequently, [REDACTED] are selling an undivided interest in a producing asset. Each transaction does not meet the size-of-transaction test. Thus, no filings are required.

Contacted [REDACTED] 10-4-92 (PS)