

6017A: 801.1(8)(1)

DIAL DIRECT

October 27, 1992

Richard Smith, Esquire
Premerger Notification Office
Bureau of Competition, Room 303
Federal Trade Commission
6th Street and Pennsylvania Avenue N.W.

Oct 29 11 03 A
FEDERAL TRADE COMMISSION
PREMERGER NOTIFICATION
SECTION

Dear Dick:

I spoke to you today concerning the availability of the
exemptions provided by Section 801.1(8)(1) of the Premerger
Notification Act.

Individual X and his spouse Y hold 80% of all of the
outstanding voting securities of Corporation A. Corporation A
proposes to merge with Corporation B in a transaction in which
Corporation B will be the surviving corporation. Individual X
and his spouse Y hold 30% of the outstanding voting securities of

50% of the outstanding membership interests in a non-profit
corporation organized under the laws of the [redacted]

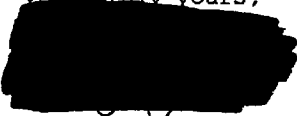
holds 50% of more of the membership interests in Corporation
C and no person other than Individual X together with his spouse
Y holds 50% of the outstanding voting securities of Corporation
B. The membership interests in Corporation C entitle the holders
to vote for the election of the directors of Corporation C, are
represented by certificates, are transferable in accordance with
the Corporation's By-Laws, and meetings of the members are held
pursuant to notice requirements and conducted in accordance with
quorum requirements. Corporation C has four members at present.

In view of the fact that Individual X together with his
spouse Y holds 80% of the outstanding voting securities of
Corporation A and 55% of the outstanding voting securities of

Corporation B (30% directly and 25% by holding 50% of the voting securities of Corporation C), it is my opinion that the exemption provided by Section 802.30 applies to the aforescribed transaction. Interpretation 64 set forth in the ABA Premerger Notification Practice Manual is distinguishable since the situation presented there involved a single member public benefit corporation where the member "elect[s] the corporation's board of

the members do not controlled voting securities that enable them to elect Corporation C's board of directors and the

Please call me, collect if you wish, at the number listed above once you have had a chance to review this request for advice. I appreciate your attention to this matter.

Very truly yours,


10/30/92 Advised that under Sec. 617.011 of newly revised Non-Profit Corporation Act and non-profit corporation C's by-laws, it was the Premerger Officer's ~~opinion~~ that "A v. P. v. I. D." retains stock in C and, as such,

controlled ~~the~~
As a result, 802.30 could be used to exempt merger of B and A.

PTB Smith