

801.16?
 802.63?
 purchase of a stream
 of income

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 January 12, 1993

JAN 19 10 45 AM
 FEDERAL EXPRESS

VIA FEDERAL EXPRESS

Federal Trade Commission

Attention of Ms. Nancy Ovuka

Dear Ms. Ovuka:

This letter is to request advice concerning the position of the Federal Trade Commission ("FTC") with respect to a proposed acquisition of the [REDACTED] in a [REDACTED] established in [REDACTED]

[REDACTED] ("Beneficiary"). The Trust purchased the Facility from the Lessee as part of the original transaction. After payment of debt service by the Trust, the Beneficiary receives the income stream generated by the lease payments to the Trust. So long as the Lessee acts in compliance with the lease, the Lessee controls

transaction. The Trustee holds title to the Facility and it

and does not otherwise serve a policy-making function with respect to the Facility. In fact, the Lessee is the only party which has the requisite regulatory licenses which allow it to operate the Facility.

Lessee (or an affiliate of Lessee within the same ultimate parent group as Lessee) proposes to acquire the beneficial interest in the Trust. Such acquisition does not involve any change in competition as to the Facility.

Ms. Nancy Ovaka
January 15, 1993
Page 2 / 2,

We understand that, in response to a request for advice dated December 10, 1991, addressed to you (and letters referred to therein dated December 1, 1990, and March 18, 1991, addressed to Mr. Patrick Sharp), the FTC took the position that the acquisition of a [REDACTED] in a trust would not be subject to the reporting requirements of the Act on the theory that the sale of a [REDACTED] in a typical sale-leaseback transaction is for purposes of the Act only the transfer of an income stream, which is neither a voting security nor asset under the Act.

We would appreciate hearing from you as to whether this remains
~~the staff's opinion and whether the proposed acquisition need not~~

please do not hesitate to call me at [REDACTED]

Very truly yours,
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

The Trust remains in existence and ^{continues to} hold title to the asset after the transaction. This is a purchase
and not reportable.

(02)
(R.S.) - concurs

called [REDACTED] 1-21-93 (85)