January 14, 1994	
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DY TAX 140. (202) 320-2030	FFD FFD
Premerger Notification Office Bureau of Competition, Room 303 Federal Trade Commission Sixth Street and Pennsylvania Avenue N.W. Washington, D.C. 20590	2.10 III 154
Re: Hart Scott Rodino Filing Requirements	
Dear Ms. Ovuka:	
The state of the second	

Corporation A, which is engaged in and and

Trailes of Companying Rive evaluate for avalance stock of Companying A with a

assets of Corporation B as shown on its last regularly prepared consolidated balance sheet are \$9.7 million. Total sales of Corporation B are in excess of \$25 million as

snown on its last regularly prepared consolidated income statement.

<u>nti yal tanamakata awanari kan tanda ananlad a namanan at natikika al</u>

consonuated operations, corporation is regularly prepares separate optance streets

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separate balance sheets maintained by B for its constituent operations. Each of those 5 has annual sales of less than \$25 million as shown on the last regularly prepared balance sheet for those 100 million as shown on the last regularly prepared balance sheet for those 100 million as shown on the last regularly prepared balance sheet for those 100 million as shown on the last regularly prepared balance sheet for those 100 million as shown on the last regularly prepared balance sheet for those 100 million as shown on the last regularly prepared balance sheet for those 100 million as shown on the last regularly prepared balance sheet for those 100 million as shown on the last regularly prepared balance sheet for those 100 million as shown on the last regularly prepared balance sheet for those 100 million as shown on the last regularly prepared balance sheet for those 100 million as shown on the last regularly prepared balance sheet for those 100 million as shown on the last regularly prepared balance sheet for those 100 million as shown on the last regularly prepared balance sheet for those 100 million as shown on the last regularly prepared balance sheet for those 100 million as sheet for th

Individual C owns 50% of the voting securities of Corporation B. C's

Corporation B and excluding the fair market value of his ownership interest in Corporation B, of approximately \$1.4 million.

Today, if individual C were to prepare a financial statement, his investment assets excluding all assets of Corporation B and showing no fair market value for his ownership interest in B would be \$2 million. If C were to prepare a financial statement showing all of his investment assets plus the value of the assets A will acquire, C's total assets would be \$9.6 million.

Under these facts, are filings required of the parties.

It is our understanding that under informal FTC opinions, if B were its own ultimate parent entity and if on B's last regularly prepared balance sheet it had anticipated the sale and spin off, such as by a footnote, no filing would be necessary. B would be entitled to rely upon that balance sheet for the conclusion that its assets at the time of the acquisition by A were less than \$10 million. We believe that the

constituent operations should be treated in a like manner.

C will be required to prepare a new financial statement since his last regularly prepared statement was over 15 months ago and it was not prepared according to Hart Scott Rodino concepts. We believe that since C must prepare a

esmicition by A Circle a now financial statement could appropriately take account

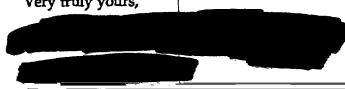
test.

The parties hope to close this transaction by January 31, 1994. We

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Thank you in advance for your attention to this matter

Very truly yours,



Patrick Sharp, Esq. - not an attorney

Sp, prior to the acquisition by A, monthly,

Consolidate all Existing individual, northly valance sheets. However, C carrot recreate a balance sheet to reflect his C newst use B's existing valance sheet (0)