

In the formation of a partnership, a partner can receive a cash payment from the partnership (which cash was contributed by another partner) as an "equalization" payment relative to the partnership interests. For this case fit within.

# Notification Practice Manual.

VIA TELECOPY -- (202) 326-2050

Mr. Victor L. Cohen

Bureau of Competition

6th Street and Pennsylvania Avenue, N.W.  
Washington D.C. 20580

Re: Hart Scott Rodino Antitrust Improvements Act of 1976: Notification

7  
JULY 1976  
FEDERAL BUREAU OF INVESTIGATION  
U.S. DEPARTMENT OF JUSTICE

Dear Mr. Cohen:

Set forth below is a description of a transaction which we believe is not subject to the reporting requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act"). We would appreciate your observations as to whether you share our views regarding the reportability of the transaction described below.

### The Transaction

[REDACTED]

[REDACTED] deemed to be the "ultimate parent entity" of [REDACTED] (the "Trust") is a [REDACTED] trust which holds 100% of the voting securities of [REDACTED]. Prior to [REDACTED] most contributions to the trust, the voting securities of [REDACTED] were owned by [REDACTED]

[REDACTED]

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[REDACTED]

50% of the assets of [REDACTED] upon its dissolution.

[REDACTED]

For purposes of this agreement, [REDACTED]

At the time of the formation of [REDACTED] the following events will occur simultaneously:

1. [REDACTED] will contribute to [REDACTED] 100% of its assets in exchange for a 49% interest in [REDACTED]
2. [REDACTED] will contribute to [REDACTED] approximately \$33.9 million in [REDACTED]

[REDACTED] will contribute to [REDACTED] certain technical, long-term, trend-following, mechanical commodity trading program developed by [REDACTED] and currently used in [REDACTED] business in exchange for which [REDACTED] will receive approximately \$33.9 million in cash.

One year following the formation of [REDACTED] [REDACTED]

[REDACTED] or \$100. In such event, [REDACTED] would own 49.9% of [REDACTED] and [REDACTED] would own 50.1% of [REDACTED]

Commencing three years after the formation of [REDACTED] and until March of 2000, [REDACTED] will have the option, but not the obligation, to purchase from [REDACTED] 100% of [REDACTED]

[REDACTED]

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Discussion

Based upon the foregoing, we believe that the essence of this transaction revolves around the formation of [REDACTED]. An agreement was entered into that [REDACTED] does not govern the formation of partnerships. [REDACTED]

directly or through [REDACTED] in connection with [REDACTED] formation (i.e., in exchange for an equity interest in a partnership, even when combined with cash equalization payments), should not be subject to the reporting requirements of the Act. We understand that in the view of the Premerger Notification Office, this is the case even though various interim steps, including the steps set forth above, could, if analyzed in isolation and not as part of the formation of a partnership, be viewed as being subject to the Act's reporting requirements.

\* \* \*

We appreciate your thoughts regarding the transaction described above at your earliest convenience. As you know, my direct telephone number is [REDACTED]. We look forward to hearing from you.

Very truly yours,

[REDACTED]

[REDACTED]

[REDACTED]