

Partnership
Interests
801.1(f)(1)

March 16, 1995

VIA FAX

Nancy Ovuka, Esq.
Premerger Notification Office H-303
Federal Trade Commission
Washington, DC 20580

Dear Ms. Ovuka:

Set forth below are the facts on a proposed transaction that we discussed this morning. I greatly appreciate your assistance and look forward to continuing the discussion.

The acquiring corporation has over \$100 million in assets and has entered into a letter of intent to acquire, through mergers, three separate corporations, which have no common parent. The total purchase price in the form of the acquiring corporation's stock will be in the \$16 to \$20 million range. No one of the three acquired corporations or their respective

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corporations has an individual parent who has assets exceeding \$10 million.

The three corporations are the only partners, one general and two limited, in a limited partnership. The corporation that has an individual parent with assets exceeding \$10 million

even attributing to it all partnership sales and assets.

The three transactions are structured as mergers in order to achieve tax-free treatment to the selling shareholders and to allow the acquiring corporation to use the pooling-of-interests method of accounting.

It seems to us that the three transactions are not reportable. Two of them do not cross the size-of-the-parties threshold, and all three, considered as separate transactions, fail to cross the size-of-the-transaction threshold. The commentaries to interpretations 1 and 83 in the Premerger

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Notification Manual (ADA 1991) support treating the three transactions separately.

That the acquiring corporation will wind up controlling the assets of a partnership rather than a hotel (as in interpretation)

In short it seems to us that there are three separate

Sincerely yours

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The transaction is viewed as both an asset & vs deal. If either is reportable, then a filing must be made. The acquiring corp will wind up w/ all the partnership's ~~assets~~ & thus, the assets. interests
RS x PS Coeur