801.1(a)(2)

[redacted]

April 13, 1995

VIA FACSIMILE

Richard Smith
Premerger Notification Office
[illegible]

Dear Dick:

As we discussed this morning, I would appreciate your thoughts on whether a proposed transaction is reportable under the Hart-Scott-Rodino Act. The following describes the proposed transaction (assume the size of person test is satisfied):

Partnership A holds industrial real estate. The real estate has a gross fair market value of $46 million. This real estate is encumbered by $30 million in non-recourse debt. Thus, the equity value of Partnership A is $16 million. Partnership A is held by two 50% general partners: Partner B and Partner C.

Partner B is a limited partnership owned by a 1% general partner (Corporation Z) and a 99% limited partner (a state agency).

Partner C is a partnership owned by two 50% general partners: Sub-Partner D and Sub-Partner E.

Sub-Partner D is owned by several individuals and trusts.

Sub-Partner E is a limited partnership owned by a 1% general [illegible]

both are owned by the same corporation and same state agency. In [illegible]

[redacted]

state agency's indirect economic ownership of the industrial real estate is 75% and Sub-Partner D's indirect economic ownership of the industrial real estate is 25%.

First step of transaction: Partner C makes a non-liquidating distribution of its entire interest in Partnership A to

[redacted]

[illegible] [redacted]

Second step of transaction: Partner B assigns its interest in Partnership A to Sub-Partner E. At this point, Sub-Partner E is the only partner in Partnership A, thus Partnership A dissolves and Sub-Partner E takes title to the industrial real estate.

Issues:

A/D

[illegible]

B) Is the second step of the transaction reportable?

To assist your analysis I have included a diagram that provides a pictorial view of the structure of this transaction at [illegible]

Sincerely,

[redacted]

[illegible]

[redacted]

04/13/95 15:36 FA[redacted] [redacted] [redacted]