

A filing is not required when a person holds 50% of an issuer's securities and will acquire the other 50% from another sole person. Aggregation of the value of the voting stock is not required. (with HSR Act)

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Victor L. Cohen, Esq. *Revised*

600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Mr. Cohen:

HART-SCOTT-RODINO ACT (the "HSR Act"), 15 U.S.C. § 18a(c)(3), and Rule 801.14 of the Federal Trade Commission's Rules accompanying the HSR Act, 16 C.F.R. § 801.14.

The facts I described to you were as follows: A and B are corporations and are separate persons within the meaning of the HSR Act. A and B currently jointly own C, another corporation. A's and B's ownership of the voting

securities of C is divided evenly, with A holding 50% and B holding 50%. Finally, A and B also currently jointly own D, ultimate parent entity of D.

A now wishes to acquire B's interests in both C and D. The total acquisition price for B's interests in C and D will be slightly in excess of \$15 million. The total value of 100% of the partnership interest in D is approximately \$3 million.

You informed me that no filing would be required in this situation for the following reasons. With respect to A's acquisition of B's 50% interest in C, the acquisition is exempt pursuant to Section 7A(c)(3) of the HSR Act because A currently owns "at least 50 per centum of the voting securities [of C] . . . prior to such acquisition." 15 U.S.C. § 18(a)(c)(3). To the extent that Interpretation

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with respect to A's acquisition of B's 75% partnership interest in D, this will be treated as an

because the total value of the assets that will be held as a result of the acquisition will be less than \$15 million.

Finally, we discussed whether, notwithstanding the fact that A's acquisition of B's interest in C is exempt

securities of C with the value of the assets of B (the partnership) for the purposes of the size-of-transaction test set forth in Section 7A(a)(3)(B) of the Act.

You informed me that aggregation would not be required. Because A already holds 50% of the voting securities of C, C is already within the person A. Thus, in

mechanism for aggregating the value of voting securities and

is already an entity included within A. Thus, Rule 3.01(a)

at approximately \$5 million, no filing would be required for their acquisition.

On the basis of our discussions, we intend to advise our client accordingly. If this letter does not accurately reflect your advice to me, I would be grateful if you would contact me. As always, thank you for your assistance.

Sincerely,

