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ATTORNEY WORK PRODUCT  
PRIVILEGED AND CONFIDENTIAL

February 15, 1996

VIA FEDERAL EXPRESS

Mr. Patrick Sharpe  
Premerger Notification Office  
Bureau of Competition  
Room 303  
Federal Trade Commission

Premerger Notification Requirement Form

Dear Mr. Sharpe:

I corresponded with you during January with respect to the reportability of a transaction first described in a January

that may have some impact on your assessment of the non-reportability of the transaction. For your convenience, I have

later letters confirming your advice that the transaction was not reportable.

In addition to the facts contained in the January 11 letter, I am now aware that in phase 1 of the transaction, in addition to the one-half interest in the assets of the Target that are being acquired by the subsidiary of my client for \$10 million, the subsidiary ("Newco") will also assume an undivided

confidentially...  
release under the Freedom of Information

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one-half interest in the following liabilities of Target as of November 30, 1995, together with additional liabilities of Target arising in the ordinary course of business subsequent to November 30, 1995:

CURRENT LIABILITIES

Line of credit	\$2,635,400
Accounts payable	\$2,808,300

capital lease obligations	\$80,700
Current portion of long-term debt	\$723,200

TOTAL CURRENT LIABILITIES	\$7,768,700
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CAPITAL LEASE OBLIGATIONS, net of current portion	\$114,800
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LONG-TERM DEBT, net of current portion	\$2,453,100
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TOTAL LIABILITIES (one-half interest)	\$10,336,600 \$5,168,300 (approx.)
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will provide up to a maximum of \$7.2 million to retire

one-half interest in the assets of Target, it will be assuming one-half of Target's obligation to Newco's parent, rather than the obligations to Target's parent, as well as one-half of

Also simultaneously with the above two transactions, Newco will contribute its undivided one-half interest in Target to the LLC formed as described in my January 11, 1996 letter. Newco will be in possession of the portion of the assets of

[REDACTED]

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transaction is in substance a transfer of an equity interest in the Target/LLC to Newco for a net purchase price of \$10 million.

If I can answer any additional questions that would

Very truly  
[REDACTED]

cc: [REDACTED]

The formation of the LLC is not reportable. However, the intermediate step of Client through

price of \$15.2 mm is not reportable. Given the size.

(PS) met.

Notified [REDACTED]

2/23/96. (PS)

orally ran this by (RS) and he concurs