

802.63

FEDERAL TRADE
COMMISSION
PREMERGER NOTIFICATION
OFFICE

March 25, 1996

Richard B. Smith, Esquire
Premerger Notification Office
Bureau of Competition
Room 301
Federal Trade Commission
Washington, DC 20580

Re: Exemption for Establishment of Lease Financing

Dear Mr. Smith:

I am writing to confirm our recent discussion regarding the application of the exemption from Hart-Scott-Rodino reporting requirements for the establishment of lease financing arrangements. The relevant facts are as follows:

Today lessee "A" operates certain production facilities under an operating lease from "B." B retains ownership of the

The contemplated transaction involves the transfer of the real estate, the plant and the improvements to "C," a financial institution, which will establish, in the ordinary course of its business, a lease financing arrangement with A, under which A will be the lessee of all of the assets under a new lease. In order to accomplish this arrangement, both A and B will transfer their respective present interests in the assets to C.

During our conversation, we observed that both of the transferors A and B have a present interest in the assets and both are involved in the creation of the lease financing through C. Furthermore, at the conclusion of the transaction, one of the transferors, A, will be the lessee of all of the transferred property. Accordingly, we concluded that the entire transaction may properly be viewed as exempt from filing requirements, because it will occur in connection with the establishment of a lease financing arrangement within the scope of 16 C.F.R. § 802.63.

[Redacted]

Richard B. Smith, Esquire

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Please contact me if you have any further questions about the transaction. Thank you again for your prompt assistance in this matter.

Sincerely,

[Redacted signature]

[Redacted lines]

[Redacted signature]

[Redacted]

3/29/96 - Called writer and advised that transfers of assets by A + B to C, a financial institution, with a lease financing arrangement then being entered into between A and C (but

exemption of lease financing arrangement which, in this case, may apply.

RBSmith