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June 10, 1996



## VIA FACSIMILE ORIGINAL VIA FEDERAL EXPRESS

Richard D. Smith, Esq. Premerger Notification Office Room H-303 Loderal Trade Commission

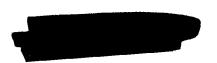
> Reportability of Acquisition of Equipment Re:

Dear Mr. Smith:

We very much appreciate your time and assistance during our May 30, 1996 conference call. Pursuant to your invitation, we are writing to confirm the substance of that conversation.

We represent a U.S. corporation which is a subsidiary of a major U.S. industrial company and engaged in a variety of financial service activities, including the company and engaged in a variety of inflation of a company and expects to report to the seller is actively negotiating, and expects to orporation,

reportable under the man-scott "Act").



The size-of-parties and the size-of-transaction test are satisfied in the subject transaction. The issue is whether the transaction is exempt under section 7A(c)(1) of the Act and Section 802.1 of the Rules, as recently amended, because it is "in the ordinary course of business."

First, you advised us that the acquisition is not disqualified from the statutory exemption by virtue of § 802.1(a), because it is not the "acquisition of all or substantially all the assets of an operating unit . . . . " The buyer will acquire all of the business and assets

items of equipment manufactured by parties other than the seller or an affiliate of the seller. This includes items such as

equipment, and currently represents less than 5% of the revenue of the

consumer goods or transactions. The seller will remain in the equipment financing business, including the financing of business machine products manufactured by its parent corporation and a wide pariety of "league ticket" and a wide pariety of "league ticket" and the seller to the

No real estate is being transferred as part of this acquisition. Initially, for an interim period of approximately six months, the buyer will occupy space in offices of the

seller who currently spend all or part of their time on matters relating to the "custom vendor finance" group are expected to be hired by the buyer.

Because the goods which are the subject of the leases and other financing

course of business if the goods are not acquired as part of the sale of an operating unit and if any of four specified criteria are met. In this case, subsection (d)(1) would apply. That subsection applies to "goods [which] are acquired and hold solely for the subsection of so

We understand that, under the facts and circumstances set forth above, it is the position of the Staff that this transaction is exempt from the reporting obligations of the Act

pursuant to § 7A(c)(1) of the Act and § 802.1. Please confirm this conclusion as soon as you are able to confer with your colleagues in the Premerger Office. We request that this lotter of the information disclosed in confidential

Thank you for your consideration and assistance. If you have any questions or

