

[REDACTED]

September 18, 1996

[REDACTED]

By Messenger

Mr. Richard Smith
Premerger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
6th Street & Pennsylvania Avenue, N.W.
Washington D.C. 20580

Re: Contribution of Assets to Existing Partnership

Dear Mr. Smith:

On Monday, September 16, [REDACTED] and I
discussed with you whether a proposed transaction between our respective clients would be subject

1976 (the "Act"). You requested that we send you a letter setting forth the relevant facts.

The proposed transaction involves two existing general partnerships, Partnership A and Partnership B. Partnership A proposes to contribute all of its assets (which have a value in excess of \$15 million) to Partnership B, in consideration for a newly-issued partnership interest in Partnership B (the "Partnership B Interest"). This will result in a dilution of the interests of the existing partners of Partnership B. The existing partnership agreement of Partnership B will continue

Partnership A will then distribute the Partnership B Interest to its partners (possibly as a

We respectfully request that you conclude that the proposed transaction is not subject to the premerger notification requirements of the Act. The first part of the transaction, Partnership A's

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contribution of its assets to Partnership B, should be exempt because it represents a capital contribution to a partnership in consideration of a partnership interest. The fact that such contribution is occurring subsequent to the formation of Partnership B should not change this

B should be exempt because the Premerger Notification Office treats a partnership interest as neither

of the transaction, Partnership A's assignment of the Partnership B interest to its partners as a liquidating distribution, should be exempt for the same reason.

If possible, we would greatly appreciate your response by Friday of this week. My telephone number [REDACTED] Thank you very much for finding time in your busy schedule to consider these issues.

Yours very truly,

[REDACTED]

9/27/96 - Advised writer that PMN
Office does not view this as part of partnership
formation. A filing is needed for partnership's
purchase of assets.

R.B. Smith