

801.90

[REDACTED]

October 15, 1996

by Facsimile: 202/326-2624

Ms. Alice Villavicencio
Pre-Merger Notification Office
Bureau of Competition
Federal Trade Commission
Room 303
Washington, D. C. 20580

RE: Pre-Merger Notification Analysis - Limited Liability Companies

This letter is based on our telephone conversations of October 7, 1996 and October 15, 1996.

n.d.

Based upon the facts presented below and our telephone conversations, it is my understanding that the formation of the LLC would not be a reportable transaction under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 as Amended (the "Act") and the rules interpreting the Act. However, a filing would be required for the purchase of assets by the LLC from one of its members.

Stock
is being
acquired
(going
back

For purposes of this letter, I am assuming that the size-of-the-person and the size-of-the-transaction thresholds would be met if the formation of the LLC were otherwise deemed to be a reportable event.

In this situation, we would assume that two corporations ("Corporations A and B")

will pay to or assume, as the case may be, for the benefit of Corporation B (i) up to a maximum of \$8.5 million for the pension plan funding deficiencies of Corporation B, as will be determined under the Pension Benefits Guaranty Act of 1974, and (ii) up to a maximum of \$1,300,000 for the pension plan funding deficiencies of Corporation B, as will be determined under the Pension Benefits Guaranty Act of 1974.

Worker Adjustment and Retraining Notification Act up to a maximum of \$1,300,000 and (iv) \$15,000,000 of assets of Corporation B, as will be determined under the Worker Adjustment and Retraining Notification Act of 1968.

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corporation would receive membership interests in the LLC. Corporation A would receive approximately 85% of the LLC interests and Corporation B would receive approximately 15% *in*

In addition to the foregoing, the LLC will purchase certain inventory of Corporation B for the aggregate value thereof, less the amount of accounts payable of Corporation B that the *in*

conversation, it is my understanding that so long as each of the members of the Management Committee are also directors, officers or employees of the members of the LLC, then the *Self*

members of the Management Committee, so long as all members of the Management Committee are directors, officers or employees of the members of the LLC

LLC from Corporation B would constitute a reportable event for purposes of the Act. Therefore, a premerger notification and report form would be required to be submitted by the

Corp. A through the LLC.
It is my understanding that the foregoing discussion represents the views of the FTC Pre-Merger Notification Office with respect to the reporting requirements of the Act. If you have any questions or if my understanding regarding the above-described transactions is incorrect, I would appreciate you contacting me at your earliest opportunity.

I very much appreciate your guidance in this matter.

Sincerely

[REDACTED]

Oct 15, 1996, called [REDACTED] writer and advised him that Corp. A through the LLC must file for certain assets of Corp. B. PS the LLC is exempt under 801.40...