

802.20

December 6, 1996

DEC

BY TELECOPIER

Richard B. Smith, Esq.  
Premerger Notification Office  
Bureau of Competition  
Room 303  
Federal Trade Commission  
Sixth St. & Pennsylvania Ave., N.W.  
Washington, D.C. 20580

Dear Mr. Smith:

Following up on our conversation a few minutes ago, enclosed is a diagram

Two's acquisition of Company B's 1 percent partnership interest in Partnership One



(1) As interpreted by PMN, a partnership interest is neither an "asset" nor a "voting security" within the meaning of the H-S-R Act (e.g., 52 Fed. Reg. 20061 (May 29, 1987)).

(2) In this instance, while A Sub Two will, as a result of the acquisition of <sup>under the FUD of...</sup> Company B's 1 percent partnership interest in Partnership One, hold all of the

other than a partial partnership interest in Partnership Two. Because a partnership interest is not an "asset" within the meaning of the Act, Partnership One has no "assets"

(3) Because the addition of Partnership One's partnership interest in

deemed to be acquiring Partnership Two's assets.



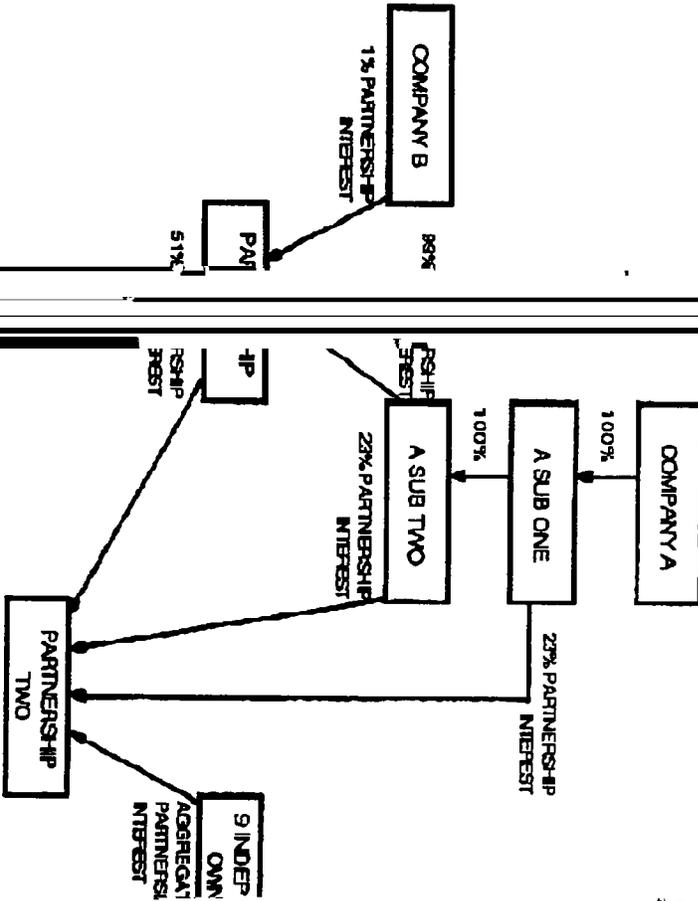
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Exhibit - the same as before regarding this transaction and listing - 1-

12/9/96 - Followed writer that I agreed with her conclusion. However, disagreed with sentence two in paragraph (2) above. The HSR Act says nothing about partnership interests. The 5/29/88 Act says that the R. was still's view is that when less than 100%

such partnership interests, we give a voting security for purposes of the size-of-transaction. But certainly where one carries a minority partnership interest on its balance sheet, such partnership interest is an "asset" for size-of-person tests.  
R.B. Smith

- ADDITIONAL FACTS**
- 1) A SUB TWO DESIRES TO PURCHASE COM
  - 2) PARTNERSHIP ONE OWNS NOTHING OT
  - 3) SIZE OF PERSON AND SIZE OF TRANSAC



5 1% PARTNERSHIP INTEREST IN PARTNERSHIP ONE.  
 1% THE 51% PARTNERSHIP INTEREST IN PARTNERSHIP  
 1% STS ARE MET.