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Rule 801.40

[REDACTED]

March 13, 1998

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SA PER 10 123 11 23

Alice Villavicencio
Federal Trade Commission -
Pre-Merger Notification Office
Room 301
6th and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Alice:

Pursuant to our telephone conversations on Thursday, March 12,
we are requesting a response as to whether a Pre-Merger
Notification filing is required under the Hart-Scott-Rodino Anti-
trust Act of 1976 (the "Act") for our client's proposed joint
venture.

The following follows out

~~_____~~
"DELETED LINE" HAS BEEN SATISFIED. The issue associated with the

each of the acquiring parties will put approximately \$2.5
million in cash into NewCo. If the facts ended there, this clearly

would be deemed a "guaranty" and thus be considered an additional
asset of NewCo under the Act; NewCo will lease certain property
from the acquiring companies; the acquiring companies will lease
that same property from an affiliated party (a wholly owned sub of

[REDACTED]

one of the acquiring parties); the affiliated party will lease the property from an unaffiliated party.

Our concern is that although this is not a traditional guaranty, it could be interpreted as such by the government. If it is, the "size of the transaction test" will likely be met, triggering the filing obligations. However, it appears perfectly reasonable to assume that this is not a guaranty as the acquiring parties may sub-lease to another party in the event NewCo defaults. This is not normally a characteristic of a guaranty.

Agree

If you require additional information in order to further analyze this issue, please feel free to call me. Thank you in advance for your attention to this matter.

Very truly yours,

[Redacted Signature]

3/18/1998. Called writer to inform him the size of person test is not met because the "sub-leasing" is not a guaranty and thus would not be included with contribution to the formation of the joint venture.
(The size of transaction test is not believed to exceed the size of person test used not met).

[Redacted]

[Redacted]