

7A(c)(3); 7A(c)(10); 801.1(c)(8); 802.30

[REDACTED]

[REDACTED]

This material may be subject to the
comparability provisions of section
7410 of the Clayton Act which restricts
access under the Freedom of Information
Act.

September 14, 1998

Sec. 200
PRI
2 00 11 1998
OFFICE
FEDERAL TRADE COMMISSION
WASHINGTON, DC 20540

Mr. Richard B. Smith
Prmerger Notification Office
Federal Trade Commission

Dear Mr. Smith:

1976, as amended (the "Act"), and the rules promulgated thereunder.

For purposes of our conversation, I assumed that the size of person, size of transaction and interstate commerce jurisdictional tests were met unless otherwise noted. At present, two corporations, X and Y, each directly hold equal 50% membership interests in an [REDACTED] turn, holds directly 100% of the voting securities of corporation Z.

acquire 50% of the voting securities of Z. In a second transaction, Z will acquire from Person X its 50% of the voting securities of Z for consideration consisting of land valued at approximately \$7.5 million plus approximately \$2 million in cash.

OFFICE
FEDERAL TRADE COMMISSION
WASHINGTON, DC 20540

Mr. Richard B. Smith
September 14, 1998
Page 2

As we discussed, with respect to the first set of transactions, Person X and Person Y are each acquiring persons for their respective acquisitions of Z voting securities and both Person X and Person Y are acquired persons with respect to each acquisition. You noted that Person X and Person Y would each be deemed to hold all of the voting securities of Z under Rule 801.1(c)(8). Therefore, the statutory exemptions in Sections 7A(c)(2) and 7A(c)(10) would exempt the acquisitions by Person X and Person Y of Z voting securities from the reporting requirements of the Act, although the acquisitions would not be exempt under the intraperson exemption of Rule 802.30 for the reasons set forth in Interpretation 256 of the ABA's Premerger Notification Practice Manual.

With respect to the transaction in which issuer Z acquires 50% of its voting securities from Person X, the statutory exemption of Section 7A(c)(2) is again available

[REDACTED]
intraperson transaction under Rule 802.30. The acquisition of \$7.5 million in land and

[REDACTED]
exempt.

[REDACTED]
the reporting requirements of the Act. If this understanding is incorrect or if you have

Very truly yours,
[REDACTED]

9/17/98 Called writer and advised that transactions as described would require no 15C-7 filings due to exemptions cited. (Make sure all filings are correct.)
R.B. Smith

[REDACTED]