

806.11

FAX COVER SHEET

To: Mr. Patrick Sharp
Fax: (202) 326-2624
From: [REDACTED]
Date: February 24, 2000 9:26 AM
Re: [REDACTED]
Pages: Cover Sheet 4 0
Operator: [REDACTED]
Operator Ext.: [REDACTED]

2000 FEB 24 A 11:18

FEDERAL TRADE
COMMISSION
IDENTIFICATION
OFFICE

Comments: Patrick: [REDACTED] will be filing an HSR Notification within the next week or so relevant to an acquisition of various newspaper assets located in [REDACTED] and [REDACTED]. The purchase price will be in the neighborhood of \$100,000,000. A subsidiary of [REDACTED] will purchase by assignment from [REDACTED] \$45,765,000 of the assets located in [REDACTED] and [REDACTED] will purchase the remaining [REDACTED] properties and [REDACTED] properties for \$54,335,000.

[REDACTED] owns 50% of the voting stock of its subsidiary and qualifies as a "person" pursuant to 16 CFR § 801.1. Accordingly, I am of the opinion that [REDACTED] can make one HSR filing. Please correct me if that's not your understanding.

My question is this: Do we need to provide the revenue figures for [REDACTED] only as the Ultimate Parent or do we need to include the subsidiary's revenue figures? [REDACTED] shows the dividends it receives from the subsidiary in its income statements and reports its equity investment on the balance sheet. [REDACTED] does not separately report the subsidiary's revenue and expenses.

Your thoughts on the matter would be greatly appreciated. I can be reached at [REDACTED]. Thank you.

called [REDACTED]

2/24/00

PS

This material may be subject to the
confidentiality provisions of section
7A(b) of the Clayton Act which restricts
release under the Freedom of Information
Act.

If you do not receive all of the pages, or if the quality of the transmission is poor, please telephone [REDACTED]. The information contained in this transmission is privileged, confidential, and intended only for the use of the individual or entity named above. If you have received this communication in error, please notify [REDACTED] immediately by telephone and return the original message to us at the address above. Postal Service: You will be reimbursed for the required postage and any long distance charges.

802.1 (d)(2)

COUNSELLORS AT LAW

February 29, 2008

VIA FACSIMILE

Michael Verna, Esquire
Federal Trade Commission
Franchise Registration Office
Bureau of Competition
400 Pennsylvania Ave., N.W.
Room 303
Washington, D.C. 20540

Dear Mr. Verna:

INTENDING TO USE THE EQUIPMENT, BUT
NEVER ACTUALLY DOING SO, DOES NOT
CONSTITUTE THE "SOLELY FOR THE
PURPOSE OF RESALE" LANGUAGE OF 802.1 (d)(2).

I am writing to follow up on our telephone conversation this morning regarding the application of Rule 802.1 to a corporation that has never generated revenue or otherwise operated.

The transaction in question involves off drilling equipment that constitutes all of the assets of the selling corporation. The ultimate parent of the selling corporation is an equipment dealer who acquired the equipment for the purpose of resale. The parent formed the selling corporation with the intent of using the equipment in the drilling business to maximize its marketability prior to reselling it. By the time the selling corporation was organized and the equipment transferred to it, however, the parent's plans had changed. As a result, the selling corporation has never generated revenue or otherwise operated.

Because the equipment is designed to be used repeatedly and has a useful life greater than one year, and the goods were acquired and held for the purpose of resale, I believe the transaction is exempt under Rule 802.1(d)(2), provided that the equipment does not constitute all of the assets of an operating unit. Your initial question was that the selling corporation, although a separate legal entity, is not an operating unit, but you indicated you would raise the issue with your colleagues and seek additional input.

Thank you for your attention to this question. If you require additional information, please do not hesitate to call me.

Very truly yours,

SINCE THIS WAS NEVER
OPERATED AS A BUSINESS
AN OPERATING UNIT
DESPITE THE FACT
THAT IT IS CONSIDERED
AS A SEPARATE LEGAL
ENTITY.

TOTAL PAGE 02

THIS IS A SALE OF DURABLE USED GOODS, IN THE ORDINARY
COURSE OF BUSINESS, IS EXEMPT UNDER 802.2(d)(2).

T. HANCOCK CONCURS

Breached Jan
3/1/00