

[REDACTED]

801.40

[REDACTED]

January 12, 2001

[REDACTED]

2001 JAN 16 P 2:21

FEDERAL TRADE COMMISSION
PREMERGER NOTIFICATION OFFICE

Ms. Alice Villavicencio
Federal Trade Commission
Premerger Notification Office
Room 303
6th Street and Pennsylvania Ave., N.W.
Washington, DC 20580

RE: Application of Hart-Scott-Rodino

Dear Ms. Villavicencio:

This letter is intended to confirm the results of our telephone conversation on Thursday, January 11, 2001 regarding the application of the Size of Transaction Test to the formation of a new corporation ("Newco") by two persons, A and B, in a transaction to which 16 CFR §801.40 would be applicable.

A contributes to Newco assets with a gross market value of \$72,000,000, and Newco agrees to assume \$70,000,000 of liabilities from A. In exchange, A receives 44% of Newco's voting securities.

B contributes to Newco assets with a gross market value of \$12,000,000 and Newco agrees to assume \$9,500,000 of liabilities from B.

The Size of Transaction for A's acquisition of Newco voting securities is \$2,000,000, the value of the assets conveyed by A to Newco, less the value of A's liabilities assumed by Newco. The Size of the Transaction for B's acquisition of Newco voting securities is \$2,500,000, the value of the assets B conveyed to Newco less the value of B's liabilities assumed by Newco.

Accordingly, under the amendments of the Hart-Scott-Rodino Act enacted in December, 2000, neither A nor B needs to make a Hart-Scott-Rodino filing in connection with the formation of Newco since the transaction does not meet the \$50 million minimum Size of Transaction Test. In particular, B does not have to file on the formation of Newco merely because it will "control" Newco after the formation and A is contributing assets with a gross value of \$72,000,000.

If I have misunderstood our conversation, please let me know at your earliest convenience, since we will be relying upon the foregoing in determining whether a filing is necessary in connection with a particular transaction.

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[REDACTED]

Ms. Alice Villavicencio
January 12, 2001
Page 2

Thank you for your assistance.

Sincerely,

[REDACTED]

[REDACTED]

Called writer
on 1/17/2001.
Letter is correct.
TH + PS Agree AV