

[REDACTED]

[REDACTED]

[REDACTED]

April 26, 1991

Federal Trade Commission
Premerger Notification Office
Bureau of Competition
Washington, D.C. 20580

This material may be subject to
the confidentiality provision of
Section 7A (h) of the Clayton Act
which restricts release under the
Freedom of Information Act

Re: [REDACTED]

Gentlemen:

This office represents [REDACTED]. It is in the process of negotiating a "ground lease" agreement with [REDACTED]. A question has arisen as to whether the transaction is subject to the premerger notification provisions of 15 U.S.C. § 18(A) or whether it is exempt under C(1).

Under the terms of the lease [REDACTED] is entitled to harvest all timber [REDACTED]. Rent under this lease will be [REDACTED] which is calculated by multiplying their guaranteed volumes by species by the value assigned to each specie.

The arrangement, under [REDACTED] State law, involves the conveyance of both an interest in real property and as a sale of goods subject to the Uniform Commercial Code. As finally structured, the transaction may be divided into two parts. The majority would be a timber lease, but a second part would constitute an outright sale of the fee lands.

Neither [REDACTED] are manufacturers. [REDACTED] is a dealer in lands, an extractor of timber, and real estate developer. [REDACTED] is a timber land dealer. It buys and sells real property. Its primary purpose is to extract standing timber from lands in which it acquires an interest. It exports the vast majority of extracted logs to pacific rim countries. The transaction involves less than 15% of the assets of [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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It is our view that the contemplated transaction constitutes the acquisition of goods or realty transferred in the ordinary course of business. It is therefore our view that it is not a reportable transaction.

We have reviewed the Premerger Notification Procedures Guideline issued by the FTC, as well as the provisions of the Code. There appears to be no current interpretation of the "ordinary transaction" provisions. We would request that you consider the above and advise as to whether you share our view promptly. If you require additional information, we would be happy to furnish it. Because closure of the transaction is imminent, we would request your immediate attention to this matter.

Very truly yours,



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discovery in litigation pursuant to
the provisions of the Federal Rules of
Civil Procedure. This material is
prepared for the purposes of the
Federal Trade Commission Act.

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