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March 10, 1992

John M. Sipple, Jr., Esquire  
Chief  
Premerger Notification Office  
Federal Trade Commission  
Room 306  
6th & Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

Re: Applicability of 16 C.F.R. § 802.63

Dear John:

This letter confirms our telephone conversation of March 10, 1992. During our conversation, I provided you with certain facts relating to a transaction whereby my client, a major United States domiciled [REDACTED] company [REDACTED] will acquire 100% of the voting securities of a United States issuer, which is a subsidiary of an [REDACTED]. In its most recently completed fiscal year, the subsidiary had revenues (the majority of which are non-United States revenues) which exceeded \$250 million. Consideration for the transfer of the voting securities is a [REDACTED] million dollar debt instrument. The transaction is part of a debt work-out and restructuring.

The events which led up to the debt work-out are as follows. In [REDACTED] 1991, [REDACTED] purchased 49% of the voting securities of [REDACTED] for approximately [REDACTED] million. [REDACTED] also purchased [REDACTED] million of subordinated convertible notes of [REDACTED]. Pursuant to the terms of the agreement of purchase, [REDACTED] was obligated to pay [REDACTED] interest on the debt and certain management fees. The collateral for the convertible notes, and for failure to pay the management fee, is the voting securities now at issue. [REDACTED] is unable to meet its obligations to [REDACTED].

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At the time of the loan of the [REDACTED] million to [REDACTED] was unaware of the exemption provided by 16 C.F.R. § 802.63.

Based on the facts set forth in this letter, it is my understanding that you agree with my conclusion that the acquisition of the voting securities is not reportable because of the exemption provided in 16 C.F.R. § 802.63(a). Unless I hear from you to the contrary by Thursday, March 12, 1992, I will advise [REDACTED] to close the transaction described above without filing under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

Thank you for your assistance in this matter.

Very truly yours,  
[REDACTED]

*Called on 3/12. Left message stating that the letter accurately reflects our conversation and informed advice rendered. The acquisition appears to be part of a bona fide debt workout although the creditor here is a competitor of the debtor.*