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[REDACTED]

[REDACTED]

May 1, 1992
VIA TELEFAX (202) 326 2050
AND FIRST CLASS MAIL

Premerger Notification
Bureau of Competition, Room 303
Federal Trade Commission
6th Street and Pennsylvania Ave. N.W.
Washington, D.C. 20580
Attn: Patrick Sharpe

MAY 4 2 45 PM '92
FEDERAL TRADE
COMMISSION
PREMERGER NOTIFICATION
OFFICE

Dear Mr. Sharpe:

This letter is in furtherance of my phone conversations with you and John Sipple. I am seeking a determination that no pre-merger notification must be given to the Federal Trade Commission and the Department of Justice on the transaction described below.

This firm represents [REDACTED] corporation with principal office [REDACTED]

[REDACTED] A Stock Purchase Agreement (the "Agreement") has been executed under which [REDACTED] shall purchase all of the issued and outstanding capital stock of [REDACTED]

[REDACTED] with [REDACTED] all of the [REDACTED] stock is held by [REDACTED] with principal office at [REDACTED]

The purchase price to be paid by [REDACTED] to [REDACTED] for the [REDACTED] stock shall be approximately [REDACTED]. Since January 1, 1992, [REDACTED] has been a "shell" corporation, holding only assets having a cumulative value equal to the purchase price. As I stated above, the purpose of this letter is to request, from

and material [REDACTED]
the [REDACTED]
Section 7(a) of the [REDACTED]
which restricts [REDACTED]
Section of International Act

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authorized representatives of the Federal Trade Commission, a determination that a Notification and Report Form for Certain Mergers and Acquisitions (pursuant to Section 7A of the Clayton Act, 15 U.S.C. Section 18a, as added by Section 201 of the Hart-Scott-Rodino Antitrust Improvements Act of 1976) is not required to be filed for the acquisition of [redacted] stock by [redacted] because, under 16 CFR Section 802.20 (the "minimum dollar value" rule), [redacted] will not hold, as a result of its acquisition of [redacted] stock: (a) assets of [redacted] valued at more than \$15,000,000 or (b) voting securities which confer control of [redacted] which, together with all entities which [redacted] controls, has annual net sales or total assets of \$25,000,000 or more.

Effective January 1, 1992, [redacted] transferred to its parent [redacted] all of its assets and liabilities, with the exception of its corporate charter, [redacted] licenses in 47 states and the District of Columbia, and sufficient capital and surplus to meet state law requirements (approximately \$5,000,000). The liquidation was pursuant to the provisions of a private letter ruling from the Internal Revenue Service; the private letter ruling was obtained in order for [redacted] to gain assurance that the distribution of assets by [redacted] to [redacted] qualified as a complete liquidation of [redacted] pursuant to Section 332 of the Internal Revenue Code, with the result that no gain or loss will be recognized by [redacted] or [redacted] relating to the liquidation.

In accordance with the private letter ruling, as soon as the first liquidating distribution was made from [redacted] to [redacted] ceased to be a going concern and its activities have been limited to winding up its affairs, paying its debts, and distributing its remaining assets (other than the assets retained for the sale of stock to [redacted]). [redacted] has not engaged in the business of [redacted] or [redacted] (which activities have all been assumed by [redacted]). Although the private letter ruling does permit [redacted] to use [redacted] to [redacted] in states that have not approved [redacted]. Any such [redacted] immediately upon execution, is transferred by [redacted] agreement to [redacted]. As each state regulatory agency approves [redacted] the use of [redacted] will be discontinued.

[redacted] business was primarily [redacted]. The person controlling [redacted] is engaged in the business of acting as [redacted]. The purpose of the acquisition of [redacted] is to obtain the benefit of [redacted] licenses; [redacted] will be used to provide [redacted] on small portions of the [redacted] for which the controlling person acts as [redacted].

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Thus, the nature of the business to be conducted by [redacted] after the purchase by [redacted] will be different from the business conducted by [redacted] prior to the [redacted] liquidation into [redacted]

We are discussing the issue of the necessity of pre-merger notification with [redacted]. The following documents can be made available (if the consent of [redacted] is obtained) for review by the FTC:

1. Private Letter Ruling relating to the liquidation of [redacted] into [redacted]
2. [redacted] and Administrative Services Agreement under which [redacted] assumed [redacted] liabilities.
3. Notes to a draft of the audited financial statements of [redacted] is the parent of [redacted] as of December 31, 1991, which notes describe the transfer of a majority of [redacted] assets to [redacted]
4. Certified statement by [redacted] and [redacted] on the value of the assets transferred by [redacted] to [redacted]
5. Management's quarterly financial statements for [redacted]

Because of the length of the waiting period if a notification is required to be filed, we are anxious to receive a determination on this matter at the earliest possible time. Please call me as soon as you have had an opportunity to review this letter with the appropriate individuals at the FTC; if the consent of [redacted] is obtained, we will supply you with any or all of the materials stated above to assist the FTC in making its determination.

Thank you for your assistance in this matter.

Where is Annual report with note restating net sales & total assets (Sec AB # 15)?

Very truly yours,
[redacted]

cc: John Sipple

Unless you can convince us otherwise, the Board is not convinced that the net sales are separable from the licenses ([redacted]) that generate value for the company, regardless of their value.

called [redacted] 5-5-92
Advised him to file.
(PS) (JS) & (RS) concur