

7A(c)(1)

RS

[REDACTED]

[REDACTED]

[REDACTED]

June 15, 1992

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

Attention: Richard Smith

Dear Mr. Smith:

Re: Section 18a(c)(1) Exemption for Acquisitions of  
Income-Producing Real Estate by REITs

JUN 18 1 50 PM '92

FEDERAL TRADE  
COMMISSION  
PREMERGER NOTIFICATION  
OFFICE

This letter confirms my understanding of your telephone advice on June 11, 1992 that since January 8, 1991 the Premerger Notification Office of the Bureau of Competition of the Federal Trade Commission has taken the position that a bona fide existing real estate investment trust ("REIT") that operates in conformity with the rules required to qualify as a REIT under the Internal Revenue Code need not file a premerger notification under 15 U.S. Code Section 18a with respect to an acquisition of income-producing real estate, because such an acquisition by such a REIT is regarded as an "acquisition of goods or realty transferred in the ordinary course of business" that is exempt from notification under Subsection 18a(c)(1).

My specific call to you was on behalf of an existing REIT which owns a portfolio consisting primarily of shopping centers and office buildings in southern California and which is negotiating three separate acquisitions of existing shopping centers for purchase prices exceeding \$15 million each. In response to my question of whether the specific REIT situations that I described would be exempt as "acquisitions...in the ordinary course of business", you described the policy of your Office summarized in the prior paragraph. When I asked whether this policy has been published, you referred me to letter to the Premerger Notification Office dated December 20, 1990, carrying your notes dated January 8, 1991, and publicly available under the Freedom of Information Act.

[REDACTED]

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June 15, 1992  
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Please advise me promptly if I have not accurately summarized the position of the Premerger Notification Office. Because our firm represents REITs in addition to the California REIT on whose behalf I called you today, we expect to rely upon such position not only in our advice to the California REIT but also in advising other REITs as to the applicability of the Subsection 18a(c)(1) exemption from the Hart-Scott-Rodino premerger notification requirements for acquisitions of income-producing real estate that they may make, unless we become aware that the position of your Office has changed or of a change in the law or published regulations.

Sincerely,

[REDACTED]

[REDACTED]

YP-6792/B

6/18/92 advised [REDACTED] that his letter accurately reflects the present view of the PMN Office regarding real estate purchased by REITs governed by the applicable IRS regulations.  
P.B. Smith