

Since the size test of Section 801.40 is not met \$01.4  
the formation of the corporate joint venture is not reportable.  
Facts indicate that [redacted] assets are  
not being placed [redacted] into the J.V.

January 7, 1994  
provision of  
the Clayton Act  
under the  
provision of

JAN 1994  
PROVISION

VIA FEDERAL EXPRESS

Victor Cohen, Esq.  
Premerger Notification of  
Bureau of Competition  
Federal Trade Commission 6th Street and Pennsylvania  
Washington, D.C. 20590

Re: Informal Interpretation Pursuant to 16 C.F.R. § 803.30

Dear Mr. Cohen:

This letter summarizes the informal interpretation you gave over the telephone on January 3, 1994 relating to the proposed transaction described herein.

The proposed transaction is substantially the same as the transaction described in my letter dated December 10, 1993 (which I have attached hereto), with one addition. The two [redacted] entities, [redacted] A and [redacted] B, intend to jointly form a corporation, Corporation C, in which each of [redacted] A and [redacted] B will hold a 50% interest. No substantial amount of cash or other assets (i.e., well under \$10 million) will be contributed by either [redacted] A, [redacted] B, or any other entity, to Corporation C. [redacted] A and [redacted] B will continue to hold title to all of their respective assets.

The board of Corporation C will govern the operations and decision making processes of the partnership, subject to certain reserved powers held by [redacted] A and [redacted] B. As indicated in our December 10 letter, [redacted] A and B will jointly share profits and/or losses from their combined operations. Corporation C will not receive any revenues from the operations of [redacted] A or [redacted] B. The board of Corporation C may recommend asset dispositions. However, [redacted] A and [redacted] B (or their respective parents) must approve dispositions of their own assets. Each [redacted] will continue to bear the risk of any gain or loss in the value of such assets (i.e., Corporation C will not gain or lose as a result of any sales of assets) and Corporation C will not receive any of the proceeds of any asset dispositions.

[REDACTED]  
Victor Cohen, Esq.  
January 4, 1994  
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We had asked your advice as to whether the formation of Corporation C, along with the powers granted to Corporation C, constitutes a reportable transaction under the Hart-Scott-Rodino Antitrust Improvements Act.

You advised us that the formation of Corporation C, along with the powers granted to it, does not constitute a reportable transaction under the Act. This is because (1) Corporation C will not have total assets of \$10 million and thus does not meet the threshold under 16 C.F.R. § 801.40, and (2) Corporation C will not "hold" any assets of any acquired person as a result of the proposed transaction, because there will be no change in the beneficial ownership of the assets of [REDACTED] A and [REDACTED] B.

Please let me or [REDACTED] know as soon as possible if this letter does not reflect the informal opinion pursuant to 16 C.F.R. § 803.30(a) given to me over the telephone. Thank you very much for your assistance.

Sincerely,

[REDACTED]  
[REDACTED]  
Enclosure  
[REDACTED]