

April 26, 1996

## HAND DELIVER

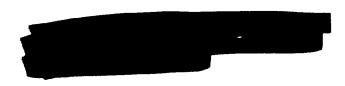
John M. Sipple, Esquire
Assistant Director
Bureau of Competition
Federal Trade Commission
Room 388
Sixth Street & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Hart-Scott-Rodino Reportability c

## Dear John:

We represent an approximately
A") that wishes to acquire a much smaller
B"). We do not believe that the transaction is reportable under
the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15
U.S.C. § 18a, for the reasons given below. However, the parties
would like to confirm this assessment with your office.

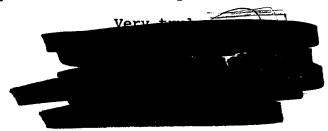
with assets of over B, a much smaller \$200,000.000. It wishes to acquire in severe financial difficulty. Arthough slightly more than for some time there have been fewer than 20 in the ach day -- and this number is declining. archough the transaction is an acquisition of the smaller by the larger, due to community relations by the larger, due to community relations issues, it will be carried out by the creation of a new parent company that will become the sole corporate member of both No cash will change hands, but the new parent will be responsible for the liabilities of the B, which are approximately \$4,000,000 at formation. A will be the controlling entity of the new parent, holding 13 of 18 Board seats. (Thereafter, the Board will select its own members.) A will appoint the majority of the Board of the Because new parent at the time the affiliation is accomplished, the parties beleive the transaction should be viewed as an B b acquisition of



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In connection with the "sale" of its assets B commissioned an appraisal, on a going business basis, of its fair market value, which resulted in a valuation of slightly over \$5,000,000. The fair market value of all of its assets is approximately \$8,000,000. Thus, the proposed transaction, viewed as an acquisition of the basis by the size-of-transaction test.

The parties believe that, given these facts, the transaction is not reportable under the Hart-Scott-Rodino Act. Once you have reviewed this letter, please call me with your comments.



Confirmed that it is proper to view this transaction as in acquisition by A of the weeks of B, since A well content the Board of November at the term of acquisition a with the power to opposent 13 of 18 of November is directors upon formation. as such, the pacquisition is weight because it does not meet the page of transaction tool.

That.

