802.9

[redacted]

July
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VIA HAND DELIVERY

John M. Sipple, Esq.
Federal Trade Commission
Premerger Notification Office
Room 303
601 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: **Proposed Reorganization of** [redacted]

Dear John:

Dick Smith suggested I send this letter to you since he is on vacation this week. On June 27, I discussed the following transaction with Dick: In anticipation of going public, a client is planning to reorganize a corporate enterprise it controls through a number of holding companies. As part of this reorganization, our client's two minority partners in this enterprise will have their interests in several affiliated entities withdrawn and replaced with additional securities in the top tier holding company. At the end of the day, the two minority shareholders will have the exact same economic interest in the overall venture.

While the minority shareholders' acquisitions of additional securities in the top tier holding company are potentially reportable transactions, we believe that Section 7A (c)(10) of the Act and Rule 802.10 should exempt these transactions because the indirect interests of the minority shareholders in the relevant operating companies do not change. The acquisitions have no possible competitive significance, and requiring filings would elevate form over substance. Further, as is described below, there still may be an HSR filing in connection with another aspect of the reorganization.

Our client has authorized us to describe the facts of the reorganization more specifically, which we do below.

Our client is [redacted] and his affiliates control the [redacted] which owns [redacted] and the [redacted] More precisely, [redacted] and his affiliates, through several holding companies, own 75% of [redacted] the top tier holding company is [redacted] The remaining 25% is split evenly between his two partners in the [redacted] venture, [redacted] and its affiliates [redacted] and [redacted] and their affiliates [redacted] owns 50% of the [redacted] which is a partnership [redacted], through a parent partnership in which [redacted] each own 25%.

The two [redacted] are being combined and reorganized in anticipation of a public offering.[1] As part of this consolidation and reorganization, [redacted] which is controlled by [redacted] and is the top tier holding company of [redacted] will acquire the [redacted] partnership, [redacted] which also is controlled by [redacted] However -- despite the fact that this transaction has identical acquiring and acquired persons -- it is our understanding that an HSR filing may be necessary for this acquisition because the intra-person exemption, 802.30, may not apply, since [redacted] is not controlled by [redacted] by virtue of the ownership of voting securities, but rather through partnership interests. (If this tentative conclusion is not correct, please advise.)

The chart attached hereto as Exhibit A shows the current ownership structure of [redacted] As you can see [redacted] owns 95% of the top tier holding company, [redacted] and [redacted] each own 2.5% of [redacted] in turn owns 80% of [redacted] in which [redacted] owns 10% and [redacted] owns 10%. [redacted] in turn owns 100% of [redacted] and [redacted] in turn owns 100% of [redacted] As noted above, working through the holding company structure [redacted] owns 75% of [redacted] and [redacted] and [redacted] each own 12.5%.

The chart at Exhibit B outlines the current structure of the [redacted] owns 50% of [redacted] which in turn owns 99.99% of [redacted] and [redacted] each own 25% of the partnership interests in [redacted]

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[1] A registration statement has been submitted to the SEC. Also, FCC approvals will be required.

In the reorganization, on the [redacted] side [redacted] will become a 100% subsidiary of [redacted]. In exchange for their 10% interests in [redacted] and [redacted] each will obtain additional shares in [redacted] On the [redacted] side [redacted] will acquire the 50% partnership interest owned by [redacted] and [redacted] and the 50% partnership interest owned by [redacted]. Also in exchange for those partnership interests, [redacted] and [redacted] will acquire additional shares in [redacted] As a result, [redacted] each will own 12.5% of [redacted] will be [redacted]% indirect owner of [redacted] and the 100% indirect owner of [redacted]

At the end of the day, then, [redacted] each will have a 12.5% indirect interest in [redacted] Today, [redacted] each indirectly have a 12.5% interest in [redacted] and a 25% interest in [redacted] and thus the reorganization does not increase their economic interest in either entity. (In fact, because the reorganization and the public offering effectively will occur simultaneously, the combine[redacted] shares [redacted] will be less than 25%, probably around 21% (10.5% each)).

While the economic interests are the same [redacted] each will acquire additional shares in [redacted] resulting in each owning more than $15 million and more than 10% in [redacted] (No previous HSR filings have been required for [redacted] and [redacted] interests here.) The Section 7A(c)(10) exemption should exempt these acquisitions because they do not increase the [redacted] indirect interests in the operating entities, [redacted] (Section 7A(c)(10) exempts acquisitions that do not increase "directly or indirectly" the acquiring person's per centum shares of the "issuer.") For that reason, they should not be required to file Notification and Report Forms. Their increase in shares in [redacted] which is only a holding company, is essentially a formality and should not create a filing obligation here.

Similarly, the FTC Premerger Office Staff informally has applied 7A(c)(10) and Rule 802.10 to spin-offs where shareholders of an existing company acquire, on a pro rata basis, shares in a new entity created by the existing company, even though the new shares are in a different "issuer." We believe that that reasoning should apply here, especially because there is absolutely no competitive significance to the proposed reorganization.

We respectfully request your agreement that [redacted] and [redacted] do not have to file in the circumstances described above and detailed in the attached exhibits.

Sincerely,

[redacted]

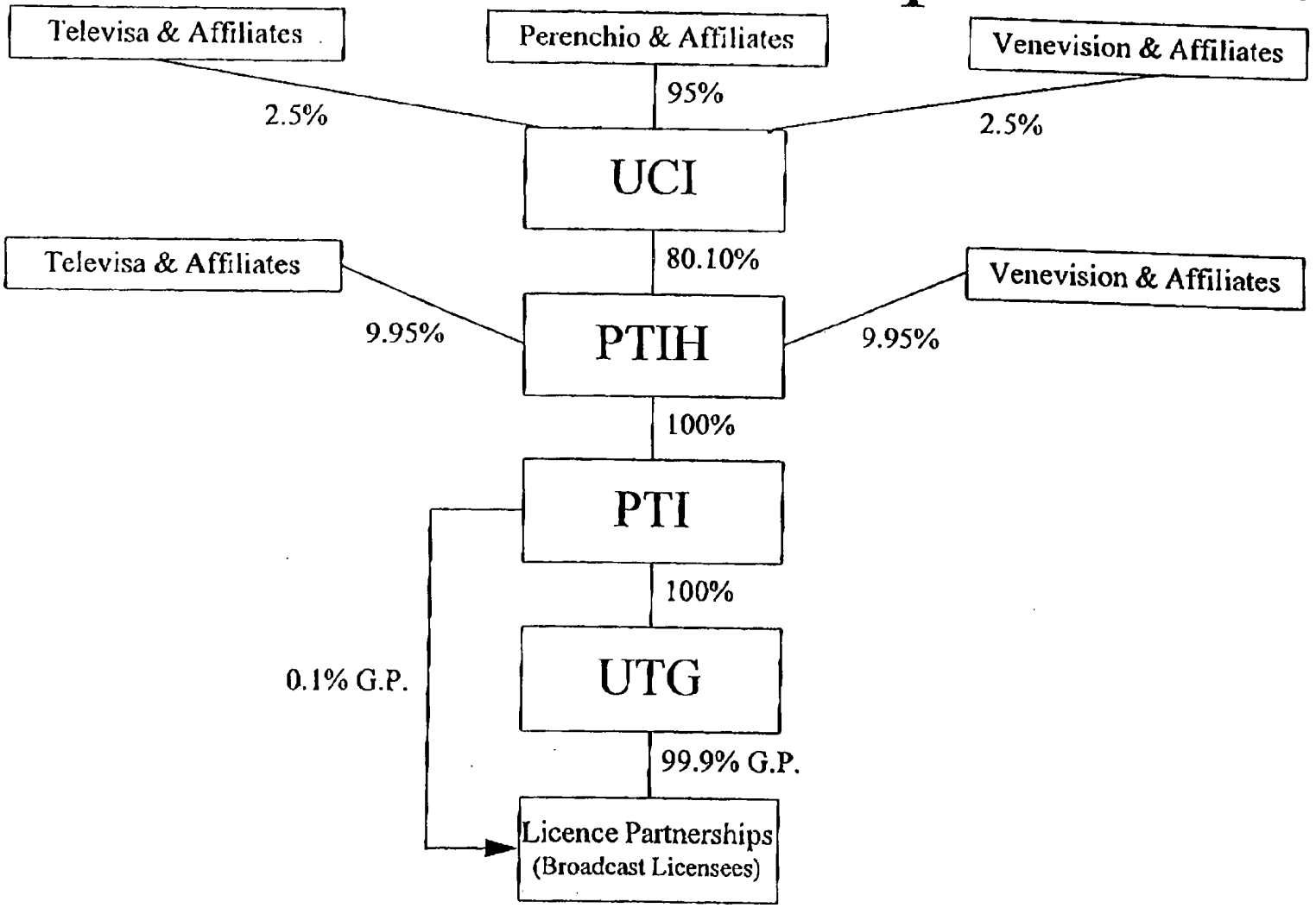
attachments
cc: Richard B. Smith, Esq.

7/26/96 - The writer confirmed that [redacted] and [redacted] were strictly and solely holding companies. [redacted] holds only 80.10% of the voting stock of [redacted] and [redacted] in turn, holds only 100% of the voting stock of [redacted] Although [redacted] will be increasing their holdings in [redacted] and eliminating their holdings in [redacted] since [redacted] is a holding company only (and since [redacted] will not increase their direct holdings in any operating company), the Premerger Office, on these facts, will not require a filing by [redacted] or [redacted] for their increase in holdings of [redacted] voting stock. (John Sipple made this interpretation.)

RBSmith

Exhibit A

Current Station Group Structure



ALL Exhibits

Exhibit B

Current Network Structure

Sunshine Acquisition Corp. (Perenchio Affiliate) - 4.75%
Perenchio - 90.25%
Rader - 5.00%