

§ 402.4

[REDACTED]

September 30, 1996

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RECEIVED

Mr. John Sipple
Room 303
Federal Trade Commission
Pennsylvania Street
Washington, D.C. 20580

RE: Applicable Exemption from Premerger Notification Program: Merger of [REDACTED]

Dear Mr. Sipple:

This letter is in regard to an earlier telephone conversation we had where you indicated your belief that a merger of two timeshare corporations would be exempt from the Premerger Notification Program under the April amendments to Section 802.2 of the Hart-Scott-Rodino Act.

The merger I am referring to involve [REDACTED] devoted exclusively to timeshare operations and directly or through wholly-owned affiliates, owns eight timeshare resorts including resorts in:

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]
6. [REDACTED]
7. [REDACTED]

The company's principal operations currently consist of (1) acquiring, developing and operating timeshare resorts; (2) marketing and selling timeshare interests in its resorts which

[REDACTED]

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typically entitle the buyer to use a fully furnished vacation residence; and (3) providing financing for the purchase of vacation intervals at its resorts.

[REDACTED] on the NASDAQ Stock Exchange, had the following revenues for the year ended December 31, 1995.

1.	Interval Sales of Timeshare Units	\$59,070,917
2.	Interest Income	\$ 6,928,862
3.	Other Income	\$ 6,607,999
	TOTAL REVENUES	\$72,607,778

It should be noted that none of this revenue came from gambling or the operation of casinos at any timeshare.

[REDACTED] is merging with [REDACTED], a Delaware corporation, which is a successor to [REDACTED]

[REDACTED] develops resort properties for timeshare sales, finances ownership interest in such properties, and manages the operations of the resort properties and their related homeowners associations. Its projects include the following:

2. [REDACTED]

4. [REDACTED]

[REDACTED]

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3. [REDACTED]
and for future developments


1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]
6. [REDACTED]

For the six months ended June 30, 1996, [REDACTED] derived its revenues from the following:

1.	Sales of Timeshare Interests	\$17,637,000
2.	Timeshare Management	\$ 648,000
3.	Health Club Revenue	\$ 230,000
4.	Gain on the Sale of Land	\$ 242,000
5.	Other Income	\$ 553,000

It should be noted that none of [REDACTED] revenues were derived from gambling or casinos.

If given the preceding information we do qualify for an exemption from the premerger notification requirement, please advise us of this fact. We are under the impression that obtaining a confirmation letter from you is the correct procedure for insuring that we are exempt from the Premerger Notification Program. If more needs to be done procedurally to insure that


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we are exempt or if you need any more information on the companies, please notify me at your convenience.

Thank you very much for your time and consideration.

Sincerely,



Advised the requestor that the merger is exempt under § 802.4 of the rules. The assets held by the acquired firm consist primarily of time shares which are interests in real property that in that case are exempt under § 802.2.