

Attorneys at Law

[Redacted]

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Call before sending
Telephone Number:

FAX COVER SHEET

TO: Alice Villavicencio
FROM: [Redacted]
DATE: May 20, 1998
COMPANY NAME: Federal Trade Commission
TELECOPY NO.: [Redacted]
TIME SENDING: _____

NUMBER OF PAGES (INCLUDING THIS COVER SHEET): 3

If you have difficulty receiving this Fax, please [Redacted] and ask for _____

MAY 20 5 56 PM '98
FEDERAL TRADE COMMISSION
COMMUNICATIONS SECTION
RECEIVED OFFICE

CLIENT # [Redacted]
MATTER # [Redacted]

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[Redacted]

[REDACTED]

[REDACTED]

[REDACTED]

May 20, 1998

via Facsimile

Ms. Alice Villavicencio
Federal Trade Commission
6th & Pennsylvania Avenue N.W.
Washington, D.C. 20580

Re: Size-of-the-Parties Test

Dear Alice:

Pursuant to your request during our phone conversation this afternoon, below is an outline of the hypothetical transaction I presented to you. As I mentioned to you on the phone, my only question is whether the Size-of-the-Parties Test is met in the hypothetical.

- Background:
- Natural Person A (\$1,000,000 in assets) owns 50% of Corporation (\$5,000,000 in assets).
 - Natural Person B (\$5,000,000 in assets) owns 50% of Corporation (\$5,000,000 in assets) (i.e., "Person B" has \$10,000,000 in assets in the aggregate).
 - Client has over \$100,000,000 in assets.

- Hypothetical:
1. A will purchase B's 50% interest in Corporation for a purchase price of \$8,000,000. (A, however, will not transfer funds to B yet.)
 2. *Immediately* after the A and B transaction, Client will purchase A's 100% interest in the Corporation for a purchase price of \$16,000,000. The payment of the purchase price will be as follows:
 - \$8,000,000 wire transfer to A;
 - \$8,000,000 wire transfer to B to satisfy the A/B transaction purchase price.

My specific question is whether the assets of "Person B" (i.e., the aggregate of B's assets and Corporation's assets) must be considered when determining whether the Size-of-the-Parties Test is met with respect to Client's acquisition of 100% of Corporation.

[REDACTED]

Ms. Alice Villavicencio
May 20, 1998
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After you have considered the above hypothetical, please call me at [redacted] Thank
you in advance for your assistance.

Sincerely,

[redacted signature]

[redacted]

*Called. writer on May 27, 1998 and
June 1, 1998. Just steps...
[redacted] [redacted]
[redacted] [redacted]
[redacted] [redacted]
[redacted] [redacted]*

[redacted]

[redacted]