

7A (3) *Office of Person;*  
890140; ~~8~~

17  
August 10, 1998

**BY FACSIMILE (202) 326-2624**

Ms. Alice Villavicencio, Compliance Specialist  
Federal Trade Commission - Premerger Office  
600 Pennsylvania Avenue N.W.  
Room 303  
Washington, D.C. 20580

Dear Ms. Villavicencio:

Thank you speaking with me and my colleague [redacted] by telephone last Friday concerning our client's proposed business combination. As you requested, in order to allow you to assist us in determining whether or not our client must submit a Pre-merger Notification Filing in connection with the transaction, set forth herein is a description of the proposed transaction.

The transaction is a consolidation in which the assets of eleven currently separate partnerships (the "Partnerships") and the management assets (employees, computer systems, etc.) of ABC, L.P. ("ABC") will be consolidated into a single financial services corporation ("Newco"). The total assets of Newco following the consolidation will be slightly in excess of \$100,000,000. The net sales and total assets of each of the Partnerships and ABC according to their most recently prepared financial statements are set forth on Exhibit A hereto. The limited partnership interests and/or beneficial unit certificates representation assignments of limited partnership interests in each of the Partnerships (the "Units") are registered under Section 12A of the Securities Exchange Act of 1934, but the Units are not listed on Nasdaq or any other national exchange or market.

In exchange for the assets contributed to Newco in the consolidation, Newco will issue shares of Common Stock of Newco which will be allocated to ABC and, through the Partnerships, to the holders of Units in the Partnerships ("Unitholders") and the General Partners of the Partnerships in respect of their respective ownership of interests in each of the Partnership. As noted above, of the Partnership's Units are registered under Section 12A the Exchange Act and the number of the Unitholders in each Partnership ranges from approximately 360 to approximately 4,100. The Shares will be allocated to Unitholders and the General Partners based on the number of Units and/or percentage of equity they

Ms. Alice Villavicencio, Compliance Specialist  
August 10, 1998  
Page 2

respectively own in such Partnership. The value of the Newco stock that will be distributed to any particular Unitholder or General Partner will be far less than \$15 million. A diagram of the consolidation is enclosed for your convenience. The amount of Newco stock that will be distributed to ABC will be approximately 23% of the issued and outstanding shares of capital stock of Newco. The General Partners are affiliates of Newco. The aggregate amount of Newco stock that will be distributed to the General Partners will be approximately 3% of the issued and outstanding shares of capital stock of Newco.

The allocation of the shares of Newco stock among the Partnerships and ABC will be based upon valuations of the assets that each Partnership will contribute to Newco in the consolidation and the valuation of the management assets contributed to Newco by ABC. The valuations of the assets contributed by the Partnerships and ABC are set forth as Exhibit B hereto. The allocation of shares among the Partnerships was made based on the relative adjusted net asset value of each Partnership.

As we discussed on Friday, the proposed consolidation is a rule 801.40 transaction as described in the H-S-R regulations. We believe that because the Unitholders and the General Partners in the Partnerships will be passive investors in Newco who will each receive only a small percentage of Newco stock that they are not required to file. We believe that ABC is not required to file because there is no other acquiring person in the transaction that is subject to the H-S-R Act that has annual net sales or total assets of \$10 million or more.

*§ 801.40?*  
*7A0X*

If you have any questions concerning the proposed transaction, please do not hesitate to call me at my number listed above. I look forward to discussing your analysis of the transaction after you have completed your review.

Thank you for your assistance.

Sincerely,

*Called Walter on Friday, 8/14, 1998*

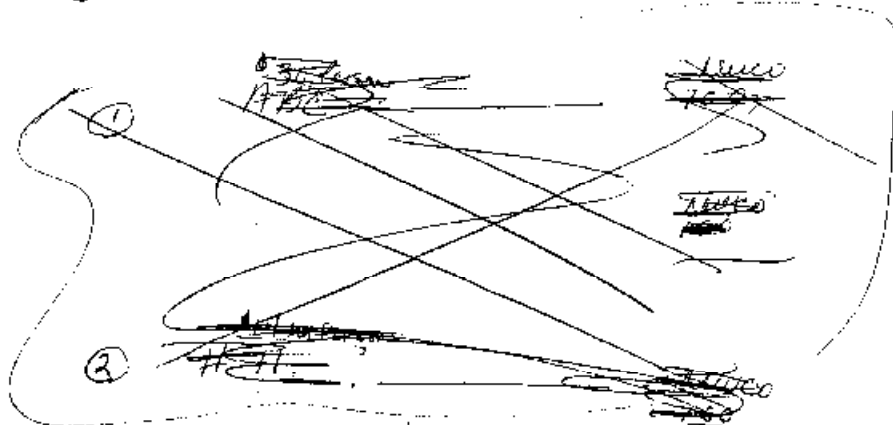
*by ABC or Partnership -  
No filing required based on contents of this*

*letter, but reminded Walter that since ABC is  
holding stock of Newco (Hercup parent) company, it  
required to file if letter was sent.*

Exhibit B

The following table sets forth the net asset value of the assets contributed by each of the Partnerships and ABC to Newco as determined by an independent appraiser for purposes of the consolidation.

Entity	Net Asset Value
One	\$ 4,243,166
Two	8,713,184
Three	2,794,232
Four	2,688,787
Five	2,070,355
Six	1,994,284
Seven	6,906,530
Eight	8,287,445
Nine	9,586,404
Ten	8,216,363
Eleven	14,261,596
ABC	80,443,680
Total	\$100,485,346



The U.S. will go back to

- \* 1 Partnership Interest Holders
- 2 General Partners of the 11 partnerships
- \* (3) ... <sup>W/K</sup> ...

### DIAGRAM OF TRYLISATION

