for maintaining the records of the branches' compliance with this section.

(d) The average book value of the branch's liabilities for a quarter shall be, at the branch's option, either an average of the balances as of the close of business for each day of the quarter or an average of the balances as of the close of business on each Wednesday during the quarter. Quarters end on March 31, June 30, September 30, and December 31 of any given year. For days on which the branch is closed, balances from the previous business day are to be used. Calculations of the average book value of the branch's liabilities for a quarter shall be retained by the branch until the next federal examination.

§ 346.21 [Removed and Reserved]

13. Section 346.21 is removed and reserved.

§ 346.23 [Removed]

14. Section 346.23 is removed.

Appendix A to Part 346 [Removed]

15. Appendix A to Part 346 is removed.

By Order of the Board of Directors.

Dated at Washington, DC, this 31st day of March, 1989.

Federal Deposit Insurance Corporation.

Hoyle L. Robinson,

Executive Secretary.

[FR Doc. 89-8323 Filed 4-6-89; 8:45 am]

BILLING CODE 6714-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 88-AGL-12]

Control Zone Establishment and Transition Area Alteration; Wilmington, OH; Correction

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Correction to final rule.

SUMMARY: The intent of this action is to clarify the hours of operation for the Wilmington, OH control zone area. Therefore, on page 1347 of **Federal Register** Document 89-794, in the issue of Friday, January 13, 1989, change "effective from 2300 to 0700 hours, local time, Monday through Friday." to read "effective from 2300 hours local time, Monday to 0700 hours local time, Saturday."

EFFECTIVE DATE: April 7, 1989.

FOR FURTHER INFORMATION CONTACT: Harold G. Hale, Air Traffic Division, Airspace Branch, AGL-520, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone (312) 694-7360.

Issued in Des Plaines, Illinois on March 27, 1989.

Teddy W. Burcham,

Manager, Air Traffic Division.

[FR Doc. 89-8286 Filed 4-6-89; 8:45 am]

BILLING CODE 4910-13-M

14 CFR Part 97

[Docket No. 25861; Amdt. No. 1397]

Standard Instrument Approach Procedures; Miscellaneous Amendments

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment establishes, amends, suspends, or revokes Standard Instrument Approach Procedures (SIAPs) for operations at certain airports. These regulatory actions are needed because of the adoption of new or revised criteria, or because of changes occurring in the National Airspace System, such as the commissioning of new navigational facilities, addition of new obstacles, or changes in air traffic requirements. These changes are designed to provide safe and efficient use of the navigable airspace and to promote safe flight operations under instrument flight rules at the affected airports.

DATES: *Effective:* An effective date for each SIAP is specified in the amendatory provisions.

Incorporation by reference—approved by the Director of the Federal Register on December 31, 1980, and reapproved as of January 1, 1982.

ADDRESSES: Availability of matters incorporated by reference in the amendment is as follows:

For Examination

1. FAA Rules Docket, FAA Headquarters Building, 800 Independence Avenue SW., Washington, DC 20591;

2. The FAA Regional Office of the region in which the affected airport is located; or

3. The Flight Inspection Field Office which originated the SIAP.

For Purchase

Individual SIAP copies may be obtained from:

1. FAA Public Inquiry Center (APA-200), FAA Headquarters Building, 800 Independence Avenue SW., Washington, DC 20591; or

2. The FAA Regional Office of the region in which the affected airport is located.

By Subscription

Copies of all SIAPs, mailed once every 2 weeks, are for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

FOR FURTHER INFORMATION CONTACT: Paul J. Best, Flight Procedures Standards Branch (AFS-420), Air Transportation Division, Flight Standards Service, Federal Aviation Administration, 800 Independence Avenue SW., Washington, DC 20591; telephone (202) 267-8277.

SUPPLEMENTARY INFORMATION: This amendment to Part 97 of the Federal Aviation Regulations (14 CFR Part 97) prescribes new, amended, suspended, or revoked Standard Instrument Approach Procedures (SIAPs). The complete regulatory description of each SIAP is contained in official FAA form documents which are incorporated by reference in this amendment under 5 U.S.C. 552(a), 1 CFR Part 51, and § 97.20 of the Federal Aviation Regulations (FARs). The applicable FAA Forms are identified as FAA Forms 8260-3, 8260-4, and 8260-5. Materials incorporated by reference are available for examination or purchase as stated above.

The large number of SIAPs, their complex nature, and the need for a special format make their verbatim publication in the **Federal Register** expensive and impractical. Further, airmen do not use the regulatory text of the SIAPs, but refer to their graphic depiction on charts printed by publishers of aeronautical materials. Thus, the advantages of incorporation by reference are realized and publication of the complete description of each SIAP contained in FAA form document is unnecessary. The provisions of this amendment state the affected CFR (and FAR) sections, with the types and effective dates of the SIAPs. This amendment also identifies the airport, its location, the procedure identification and the amendment number.

This amendment to Part 97 is effective on the date of publication and contains separate SIAPs which have compliance dates stated as effective dates based on related changes in the National Airspace System or the application of new or revised criteria. Some SIAP amendments may have been previously issued by the FAA in a National Flight

Data Center (FDC) Notice to Airmen (NOTAM) as an emergency action of immediate flight safety relating directly to published aeronautical charts. The circumstances which created the need for some SIAP amendments may require making them effective in less than 30 days. For the remaining SIAPs, an effective date at least 30 days after publication is provided.

Further, the SIAPs contained in this amendment are based on the criteria contained in the U.S. Standard for Terminal Instrument Approach Procedures (TERPs). In developing these SIAPs, the TERPs criteria were applied to the conditions existing or anticipated at the affected airports. Because of the close and immediate relationship between these SIAPs and safety in air commerce, I find that notice and public procedure before adopting these SIAPs is unnecessary, impracticable, and contrary to the public interest and, where applicable, that good cause exists for making some SIAPs effective in less than 30 days.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. For the same reason, the FAA certifies that this amendment will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 97

Approaches, Standard Instrument, Incorporation by reference.

Issued in Washington, DC on March 31, 1989.

Robert L. Goodrich,

Acting Director, Flight Standards Service.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me, Part 97 of the Federal Aviation Regulations (14 CFR Part 97) is amended by establishing, amending, suspending, or revoking Standard Instrument Approach Procedures, effective at 0901 g.m.t. on the dates specified, as follows:

PART 97—[AMENDED]

1. The authority citation for Part 97 continues to read as follows:

Authority: 49 U.S.C. 1348, 1354(a), 1421, and 1510; 49 U.S.C. 106(g) (revised, Pub. L. 97-449, January 12, 1983; and 14 CFR 11.49(b)(2)).

§§ 97.23, 97.25, 97.27, 97.29, 97.31, 97.33, 97.35 [Amended]

By amending: § 97.23 VOR, VOR/DME, VOR or TACAN, and VOR/DME or TACAN; § 97.25 LOC, LOC/DME, LDA, LDA/DME, SDF, SDF/DME; § 97.27 NDB, NDB/DME; § 97.29 ILS, ILS/DME, ISMLS, MLS, MLS/DME, MLS/RNAV; § 97.31 RADAR SIAPs; § 97.33 RNAV SIAPs; and § 97.35 COPTER SIAPs, identified as follows:

. . . Effective June 29, 1989

Litchfield, IL—Litchfield Muni, NDB Rwy 9, Amdt. 2
Litchfield, IL—Litchfield Muni, NDB Rwy 27, Amdt. 4
Monticello, IL—Monticello Aviation Inc, VOR-A, Amdt. 1
Rochelle, IL—Rochelle Muni, VOR-A, Amdt. 7
Augusta, ME—Augusta State, VOR/DME RWY 8, Amdt. 11
Augusta, ME—Augusta State, VOR RWY 35, Amdt. 5
Augusta, ME—Augusta State, VOR/DME-A, Amdt. 11
Mansfield, MA—Mansfield Muni, NDB RWY 32, Amdt. 3
Gaylord, MI—Otsego County, VOR Rwy 9, Amdt. 7
Gaylord, MI—Otsego County, VOR Rwy 27, Amdt. 7
Gaylord, MI—Otsego County, NDB Rwy 9, Amdt. 8
Standish, MI—Standish Industrial, VOR-A, Amdt. 3

. . . Effective June 1, 1989

Winslow, AZ—Winslow Muni, VOR RWY 11, Amdt. 4
Monterey, CA—Monterey Peninsula, LOC/DME RWY 28L, Amdt. 1
Monterey, CA—Monterey Peninsula, NDB RWY 10R, Amdt. 10
Monterey, CA—Monterey Peninsula, ILS RWY 10R, Amdt. 24
Shafter, CA—Shafter-Minter Field, VOR RWY 30, Orig.
Gooding, ID—Gooding Muni, NDB RWY 25, Orig.
Quincy, IL—Quincy Muni Baldwin Field, VOR RWY 04, Amdt. 11
Quincy, IL—Quincy Muni Baldwin Field, VOR/DME RWY 22, Amdt. 7
Quincy, IL—Quincy Muni Baldwin Field, LOC/DME BC RWY 22, Amdt. 6
Quincy, IL—Quincy Muni Baldwin Field, NDB RWY 04, Amdt. 16
Quincy, IL—Quincy Muni Baldwin Field, ILS RWY 4, Amdt. 16
Quincy, IL—Quincy Muni Baldwin Field, RNAV RWY 13, Amdt. 4
Quincy, IL—Quincy Muni Baldwin Field, RNAV RWY 31, Amdt. 3
Fort Madison, IA—Fort Madison Muni, VOR/DME-A, Amdt. 5
Fort Madison, IA—Fort Madison Muni, RNAV RWY 16, Amdt. 3
Fort Madison, IA—Fort Madison Muni, RNAV RWY 34, Amdt. 3
Mason City, IA—Mason City Muni, VOR RWY 35, Amdt. 4
Mason City, IA—Mason City Muni, VOR/DME RWY 17, Amdt. 2
Mason City, IA—Mason City Muni, LOC/DME BC RWY 17, Amdt. 4
Mason City, IA—Mason City Muni, NDB RWY 35, Amdt. 4
Mason City, IA—Mason City Muni, ILS RWY 35, Amdt. 4
Mason City, IA—Mason City Muni, RNAV RWY 30, Amdt. 5
Oelwein, IA—Oelwein Muni, VOR-A, Amdt. 3
Oelwein, IA—Oelwein Muni, RNAV RWY 13, Amdt. 2
Webster City, IA—Webster City, Muni, VOR/DME RWY 14, Amdt. 2
Webster City, IA—Webster City, Muni, NDB RWY 32, Amdt. 6
Colby, KS—Shalz Field, NDB RWY 17, Amdt. 3
Bastrop, LA—Morehouse Memorial, VOR/DME-A, Amdt. 8
Bastrop, LA—Morehouse Memorial, NDB RWY 34, Amdt. 5
Farmerville, LA—Farmerville, VOR/DME-A, Amdt. 1, CANCELLED
Jonesboro, LA—Jonesboro, NDB RWY 35, Amdt. 1
Rayville, LA—Rayville Municipal, VOR/DME-A, Amdt. 2
Rayville, LA—Rayville Municipal, NDB RWY 36, Amdt. 1
Ruston, LA—Ruston Muni, VOR/DME-A, Amdt. 9
Ruston, LA—Ruston Muni, NDB RWY 34, Amdt. 1
Winnfield, LA—David G. Joyce, NDB RWY 8, Amdt. 2
Hyannis, MA—Barnstable Muni-Boardman/Polando Field, VOR RWY 24, Amdt. 9
Hyannis, MA—Barnstable Muni-Boardman/Polando, NDB RWY 24, Amdt. 8
Hyannis, MA—Barnstable Muni-Boardman/Polando, ILS RWY 24, Amdt. 15
Lambertville, MI—Toledo Suburban, VOR-A, Amdt. 7
Hawley, MN—Hawley Muni, VOR/DME-A, Orig.
Bluffton, OH—Bluffton, VOR RWY 23, Amdt. 6
Klamath Falls, OR—Kingsley Field, VOR-B, Amdt. 3
Klamath Falls, OR—Kingsley Field, VOR/DME or TACAN RWY 14, Amdt. 2
Klamath Falls, OR—Kingsley Field, VOR/DME or TACAN RWY 32, Amdt. 2
Klamath Falls, OR—Kingsley Field, NDB RWY 32, Amdt. 1
Klamath Falls, OR—Kingsley Field, ILS RWY 32, Amdt. 19
Jackson, WY—Jackson Hole, VOR-A, Amdt. 5
Jackson, WY—Jackson Hole, VOR/DME RWY 36, Amdt. 2
Jackson, WY—Jackson Hole, ILS RWY 18, Amdt. 5

. . . Effective May 4, 1989

Toms River, NJ—Robert J. Miller Air Park, LOC RWY 6, Amdt. 2, CANCELLED
Toms River, NJ—Robert J. Miller Air Park, ILS RWY 6, Orig.
Mandan, ND—Mandan Muni, VOR-A Orig.

Mandan, ND—Mandan Muni, RADAR-1, Amdt. 2
Danville, VA—Danville Muni, LOC RWY 2, Amdt. 1
Danville, VA—Danville Muni, ILS RWY 2, Orig.
Richmond, VA—Richard Evelyn Byrd Intl, ILS RWY 7, Amdt. 24

. . . *Effective March 28, 1989*

Keystone Heights, FL—Keystone Airpark, VOR/DME RWY 4, Amdt. 1

. . . *Effective March 21, 1989*

Wilkes-Barre/Scranton, PA—Wilkes-Barre/Scranton Intl, ILS RWY 4, Amdt. 34

[FR Doc. 89-8281 Filed 4-6-89; 8:45 am]
BILLING CODE 4910-13-M

FEDERAL TRADE COMMISSION

16 CFR Part 1

Advisory Opinions Regarding Proposed Corporate Mergers and Acquisitions

AGENCY: Federal Trade Commission.

ACTION: Final rule.

SUMMARY: The Commission is amending its rule governing advisory opinions on proposed corporate mergers and acquisitions. The Commission's rules of practice provides that the Commission will consider requests for advisory opinions if the subject matter involves a proposed corporate merger or acquisition. In practice, the Commission does not ordinarily provide formal advisory opinions on proposed mergers or acquisitions. Thus, the Commission is revising the rule.

Although this rule amendment is effective upon publication, the Commission invites public comment. The Commission will review all comments received, and take whatever action, if any, it deems appropriate.

DATES: This rule is effective April 7, 1989. Comments will be received until May 8, 1989.

ADDRESSES: Comments should be addressed to the Secretary, Federal Trade Commission, 6th Street & Pennsylvania Avenue NW., Washington, DC 20580.

Comments will be entered on the public record of the Commission and will be available for public inspection in Room 130 at the above address during the hours of 9:00 a.m. until 5:00 p.m.

FOR FURTHER INFORMATION CONTACT: Phillip S. Priesman, Attorney, Office of the General Counsel, Federal Trade Commission, 6th Street & Pennsylvania Avenue NW., Washington, DC 20580 (202) 326-2484.

SUPPLEMENTARY INFORMATION: Under current Rule 1.1(a) of the Commission's Rules of Practice, 16 CFR 1.1(a), the Commission will consider a request for an advisory opinion if the subject matter of the request involves: (1) A substantial or novel question of fact or law; (2) a proposed corporate merger or acquisition; or (3) an issue of significant public interest. The language of Rule 1.1(a)(2) suggests that the Commission may issue advisory opinions on both substantive and procedural aspects of a proposed merger. For example, the rule appears to contemplate Commission advisory opinions on the competitive implications of proposed mergers, as well as on issues concerning compliance with the premerger reporting requirements of the Hart-Scott-Rodino ("HSR") amendments to the Clayton Act, 15 U.S.C. 18a. In fact, the Commission does not ordinarily issue advisory opinions on either the substantive or procedural aspects of proposed mergers and acquisitions.

To issue an advisory opinion on the antitrust merits of a proposed merger or acquisition, the Commission would need to undertake an extensive study of the affected markets, in effect, conducting a full investigation not unlike that entailed under the HSR program. In practice, the Commission has refrained from issuing advisory opinions insofar as they would require such extensive information-gathering or investigation. In many cases, and advisory opinion procedure is rendered superfluous by the HSR premerger reporting program. Under the HSR procedure, the Commission is required to review all transactions that meet or exceed certain threshold size requirements set forth in the statute to ascertain whether they might substantially lessen competition or tend to create a monopoly.

Furthermore, individuals need not request a formal advisory opinion to determine whether they must file a premerger notification report because the Commission routinely provides oral advice on compliance with HSR procedural requirements. In addition, the Commission has issued enforcement guidelines on HSR compliance matters in the form of policy statements. *See, e.g.*, 50 FR 21507 (May 24, 1985). Finally, although Rule 1.1(a) as amended would no longer expressly permit requests for advisory opinions involving mergers and acquisitions, the Commission remains free, at its discretion and consistent with the Rule, to provide such advice if it determines that the matter involves questions that are "novel" or "substantial" or if doing so would be in the public interest.

List of Subjects in 16 CFR Part 1

Administrative practice and procedure, Trade practices.

In view of the foregoing considerations, the Commission amends Title 16, Chapter I, of the Code of Federal Regulations, as follows:

PART 1—GENERAL PROCEDURES

1. The authority for Part 1 continues to read as follows:

Authority: Sec. 6, 38 Stat. 721 (15 U.S.C. 46), unless otherwise noted.

2. Section 1.1 is amended by revising paragraph (a) to read as follows:

§ 1.1 Policy.

(a) Any person, partnership, or corporation may request advice from the Commission with respect to a course of action which the requesting party proposes to pursue. The Commission will consider such requests for advice and inform the requesting party of the Commission's views, where practicable, under the following circumstances.

(1) The matter involves a substantial or novel question of fact or law and there is no clear Commission or court precedent; or

(2) The subject matter of the request and consequent publication of Commission advice is of significant public interest.

* * * * *

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 89-8260 Filed 4-6-89; 8:45 am]
BILLING CODE 6750-01-M

16 CFR Part 306

Octane Posting and Certification

AGENCY: Federal Trade Commission.

ACTION: Grant of partial exemption from the Commission's octane rule.

SUMMARY: The Commission received a petition from Gilbarco, Inc. on behalf of the Exxon Corporation (Exxon), requesting permission to post octane ratings by use of an octane label that differs from certain of the specifications contained in the Commission's Octane Posting and Certification Rule. After analyzing the request, the Commission has granted the partial exemption in connection with Exxon's use of gasoline dispensers that have been purchased from Gilbarco, Inc. Pursuant to Rule 1.26 of the Commission's Rules of Practice, the Commission grants, for good cause, the requested relief without a notice and

comment period because the Commission finds that such a procedure is unnecessary to protect the public interest in this case.

EFFECTIVE DATE: April 7, 1989.

FOR FURTHER INFORMATION CONTACT: Neil J. Blickman, Attorney, Division of Enforcement, Federal Trade Commission, Washington, DC 20580, (202) 326–3038.

SUPPLEMENTARY INFORMATION: On March 30, 1979, the Commission published the Octane Posting and Certification Rule in the **Federal Register** (44 FR 19160). The rule established procedures for determining, certifying and posting, by means of a label on the fuel dispenser, the octane rating of automotive gasoline intended for sale to consumers.

Section 306.9 of the rule provides that retailers must post at least one octane rating label on each face of each gasoline dispenser. Retailers who sell two or more kinds of gasoline with different octane ratings from a single dispenser must post seprate octane rating labels for each kind of gasoline on each face of the dispenser. Labels must be placed conspicuously on the dispenser so as to be in full view of consumers and as near as reasonably practical to the price per gallon of the gasoline.

Section 306.11 of the rule details specifications for the labels. Labels must be 3 inches wide by 2.5 inches long, and Helvetica type must be used for all text except the octane rating number, which must be in Franklin Gothic type. Type size for the text and numbers is specified, and the type and border must be process black on a process yellow background. The line "MINIMUM OCTANE RATING" must be in 12 point Helvetica bold, all capitals, with letter space set at 12½ points. The line "(R+M)/2 METHOD" must be in 10 point Helvetica bold, all capitals, with letter space set at 10½ points. The octane number must be in 96 point Franklin Gothic Condensed, with ⅛ inch spacing between the numbers.

By letter dated October 25, 1988, and supplemented by letter dated November 14, 1988, Gilbarco, Inc., a major manufacturer and marketer of gasoline pumps and dispensers, requested permission on behalf of the Exxon Corporation to post octane ratings by use of an octane label that differs from the label specifications contained in § 306.11 of the Commission's Octane Posting and Certification Rule.

Exxon proposed the following labeling scheme for use with the gasoline dispensers it purchases from Gilbarco, Inc.:

In order to conform with the dimensions of Gilbarco's gasoline dispenser "scuff guard," Exxon proposes to use an octane label that is 2.75 inches wide by 2.5 inches long instead of a label that is 3 inches wide by 2.5 inches long (as specified in the Octane Rule) on the gasoline dispensers it purchases from Gilbarco, Inc.

The Commission has decided that the above-described labeling scheme is adequate to meet the Octane Rule's posting objective as it provides clear disclosure of all rule-required information. In addition, by permitting the variance, Exxon can adapt its octane label to an existing, interchangeable industry part without adversely affecting the public interest and without necessitating a substantial capital expenditure by the industry (that would ultimately be passed on to retail gasoline purchasers) to manufacture a new part. Therefore, the Commission has decided to grant Exxon permission to use its proposed labeling system, in connection with the company's use of Gilbarco gasoline dispensers, provided that Exxon will also comply with the Rule's octane label specifications in all other respects.

List of Subjects in 16 CFR Part 306

Energy conservation, Gasoline, Labeling.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 89–8261 Filed 4–6–89; 8:45 am]

BILLING CODE 6750–01–M

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 211

[Release No. SAB–81]

Staff Accounting Bulletin No. 81

AGENCY: Securities and Exchange Commission.

ACTION: Publication of staff accounting bulletin.

SUMMARY: This staff accounting bulletin expresses the staff's views regarding the appropriateness of gain recognition on the sale of a business or operating assets to a highly leveraged entity.

FOR FURTHER INFORMATION CONTACT: Jack C. Parsons or John M. Riley, Office of the Chief Accountant (202–272–2130), or Howard P. Hodges, Jr., Division of Corporation Finance (202–272–2553), Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The statements in staff accounting bulletins are not rules or interpretations of the Commission nor are they published as bearing the Commission's official approval. They represent interpretations and practices followed by the Division of Corporation Finance and the Office of the Chief Accountant in administering the disclosure requirements of the Federal securities laws.

Jonathan G. Katz,

Secretary.

April 4, 1989.

Staff Accounting Bulletin No. 81

The staff herein adds Section U to Topic 5 of the Staff Accounting Bulletin Series. Topic 5–U discusses the staff's position on the appropriateness of gain recognition on the sale of a business or operating assets to a highly leveraged entity.

Topic 5: Miscellaneous Accounting

* * * * *

U. *Gain Recognition on the Sale of a Business or Operating Assets to a Highly Leveraged Entity*

Facts: A registrant has sold a subsidiary, division or operating assets to a newly formed, thinly capitalized, highly leveraged entity (NEWCO) for cash or a combination of cash and securities, which may include subordinated debt, preferred stock, warrants, options or other instruments issued by NEWCO. In some of these transactions, registrants may guarantee debt or enter into other agreements (sometimes referred to as make-well agreements) that may require the registrant to infuse cash into NEWCO under certain circumstances. Securities received in the transaction are not actively traded and are subordinate to substantially all of NEWCO's other debt. The value of the consideration received appears to exceed the cost basis of the net assets sold.

Question 1: Assuming the transaction may be properly accounted for as a divestiture,[1] does the staff believe it is

[1] Transactions such as these require careful evaluation to determine whether, in substance, a divestiture has occurred. Staff Accounting Bulletin Topic No. 5–E provides the staff's views on circumstances that may exist that would lead the staff to conclude that the risks of the business have not been transferred to the new owners and that a divestiture has not occurred. Topic 5–E indicates that factors to consider in determining whether a transaction should be accounted for as a divestiture include:

• Continuing involvement by the seller in the business;

Continued