

MEMORANDUM

[REDACTED]

May 11, 2000

To: Mike Verne
Federal Trade Commission

[REDACTED]

stock carries the right to ten votes per share. Class A and Class C stock each have the right to one vote per share.

First Merger. Acquisition Corp. will merge into C Corp., with C Corp. as

outstanding voting securities of B Corp. The percentage of voting securities of B Corp. held by the other B Corp. shareholders will decrease proportionately (see Diagram 2). We believe that all aspects of this transaction are exempt under § 802.30.

Second Merger. Immediately after the First Merger, B Corp. will form a wholly-owned subsidiary, Holding Co., which will hold 100% of the outstanding securities of

As a result of the Second Merger, several of the former A Corp. shareholders will hold an aggregate total amount of voting securities of B Corp. in excess of \$15 million. Many of these shareholders will be eligible for the "investment only"

decrease is a result of the fact that in the Second Merger the A Corp. shareholders will receive fewer ten vote shares of B Corp. than were formerly held by A Corp. and are thereby diluted in their voting percentage.¹ NOTE HOWEVER, THAT ANY CURRENT B CORP. SHAREHOLDERS WHO INCREASE THEIR PERCENTAGE HELD IN B CORP. MAY HAVE A REPUTATION OBLIGATION.

¹ Although their voting percentage will decrease, the A Corp. shareholders may have a

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We would like to confirm with you our understanding of the foregoing

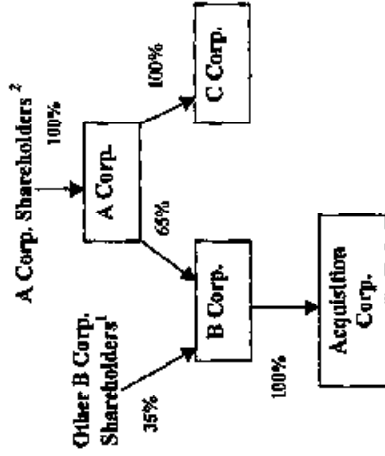
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AGREE WITH THE CONCLUSIONS OF THE
WRITER. N. OVUKA AGREES -

Dr. J. D. Omu

5/16/00

DIAGRAM 1 - CURRENT ORGANIZATIONAL STRUCTURE



¹ Approximately 300 shareholders, no one of which holds more than 5% of the outstanding voting securities of B Corp.

² 24 shareholders, the largest of which, an irrevocable trust, holds approximately 21% of the outstanding voting securities of A Corp.

DIAGRAM 2 - POST ACQUISITION CORP./C CORP. MERGER

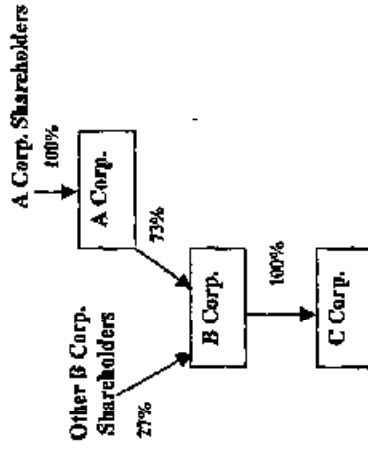


DIAGRAM 3 -- FORMATION OF HOLDING SUB

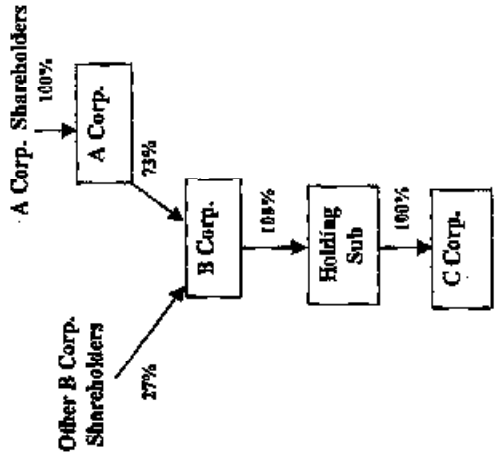


DIAGRAM 4 -- POST HOLDING SUB/A CORP. MERGER

