

7A(C)(10)

June 9, 2000

VIA FACSIMILE

Michael Verne
Premier Notification Office

7th & Pennsylvania Ave., N.W.
Washington, D.C. 20580

Dear Mike:

I am writing to confirm my understanding of telephone conversations we had yesterday and the day before yesterday concerning the potential reportability under the Hart-Scott-Rodino Antitrust Improvements Act ("HSR Act") of a proposed transaction discussed below.

STEP 1 (FORMATION OF NEWCO): Several investors ("Investors") will form a new corporation ("Newco"). One investor ("Parent") will acquire in excess of 50% of the 10,000 shares of

of the parties test or the size of the transaction test is not met.

STEP 2 (MERGER AND RECAPITALIZATION): It is intended that Newco will be merged with and into a corporation ("Target"). Target currently is and will be at the point immediately prior to the merger ultimately controlled by another corporation ("Seller") which holds 100% of the 10,000 shares of

June 9, 2000

Page 2

Each of the 10,000 shares of voting securities of Newco will be converted on a share for share basis

\$15 million.

Immediately after the merger occurs, Parent will hold in excess of 50% of the voting securities of

Please let me know as soon as possible if you disagree with any of the conclusions discussed above,

Very truly yours,

AGREE -
EXEMPT UNDER
7A(C)(10)
B. Melchior
6/13/00

¹ Nonvoting stock of Newco also will be converted on a share for share basis into nonvoting stock of Target.
² While we did not discuss this issue, my assumption is that even if the voting securities being issued to Seller were valued at in excess of \$15 million the "acquisition" of these securities still would not be reportable. An additional fact that I did not mention to you is that immediately before the merger, several option holders ("Option Holders") in Target will exercise their options into

exercise of these options and the reinvestment of proceeds by certain Option Holders does not impact the HSR analysis.