

February 20, 1987

Mr. Wayne Kaplan  
Premerger Notification Office  
Bureau of Competition, Room 301

REC-110  
19.111  
C-1

Re: Informative Advice with Respect to the

Dear Mr. Kaplan:

As we agreed in our telephone conversation on Tuesday, February 17, 1987, I am setting forth below the facts relating to a proposed tender offer (the "Offer") by a recently organized shell corporation ("Bidco") for shares of a publicly owned company (the "Target") and certain related transactions, which you have advised us need not, based upon the facts set forth below, be reported under the Securities Exchange Act of 1934, as amended (the "Act"), and the rules thereunder (the "Rules").

Our client, a large financial institution ("F Corp") recently formed Bidco, a wholly-owned subsidiary, for the purpose of accomplishing the Offer. Prior to the commencement will promptly commence the Offer and, assuming successful

ties of Bidco. Simultaneously therewith, certain members of the management of Target (the "Management Group") will be issued new shares of the common stock of Bidco represent-

Accordingly, upon consummation-

of Bidco.

It is presently expected that F Corp will pay

\$833,000 upon exercise. F Corp's accountants have advised that, for financial accounting purposes, the Warrant will

warrant. F Corp has been advised by its accountants that, while holding the Warrant, it will not be required to include Target's financial results in its consolidated financial statements with the result that, until exercise of the

consolidated financial statements.

Based upon the facts set forth above, you have confirmed that the formation of Bidco, even if it is deemed subject to Rule 801.40, will not require filings under the Act because no one of the potential joint venturers (i.e., neither F Corp nor any member of the Management Group) will purchase or acquire ownership of Bidco.

be entitled to claim a Rule 802 20 exemption with respect

You have also confirmed that the acquisition by Bidco of voting securities of Target, regardless of

shares, meet the Act's size-of-person test. Bidco will

in the Offer. All of such cash and loans will be applied to the Offer and, accordingly, need not be attributed to Bidco for purposes of the size-of-person test.

In this connection, we have advised you that, at the time of acceptance for payment of Target's shares pursuant to the Offer, no single member of the Management

100% ownership position will have been reduced in exchange

maintain a number of Bidco directors equal to one fewer than one-half of the total number of directors of Bidco, neither

We have agreed that any exercise by F Corp of the Warrant would be reportable under the Act at the time of exercise.

As we agreed in our telephone call, I will assume that the conclusions set forth above concerning the application of the Act and Rules to each of the proposed steps in this transaction correctly reflect your views unless

information with respect to the described transactions

Thank you for your assistance.

Sincerely,