

February 23, 1987

VIA TELECOPIER

Mr. John Sippel  
Premerger Notification Office  
Federal Trade Commission  
6th Street and Pennsylvania Avenue N.W.  
Room 303  
Washington, D.C. 20580

Dear Mr. Sippel:

With reference to my letter to you of February 12, 1987, the purpose of this letter is to confirm the substance of our telephone conversation on February 20, 1987. The terms referred to below correspond to the terms used in the February 12 letter.

With regard to the formation of Acquiror, you were inclined to test the initial acquisition of shares of Acquiror by the two members of management under the joint venture rules contained in 16 C.F.R. section 801.40, and the subsequent private offering of shares of Acquiror under the non-joint venture rules generally applicable to acquisitions. Viewed this way, the acquisition by the two members of management of shares of Acquiror does not trigger the

7A(a)(2). The subsequent private offering of shares of Acquiror would not trigger a notification requirement because all purchasers are exempt under 16 C.F.R. section 802.20 by virtue of the fact that none of the parties purchasing shares

CREDIT. YOU THOUGHT THAT THE 1982 DEFERRED VALUE OF THE VALUE  
OF CREDIT WOULD BE AN ASSET OF ACQUIROR NOTWITHSTANDING THAT

HOWEVER, BASED ON MY REPRESENTATION THAT THE VALUE OF CREDIT  
IN FACT HAS LITTLE OR NO FAIR MARKET VALUE, THE ACQUIROR  
WOULD NOT HAVE \$10,000,000 OF TOTAL ASSETS AND THUS WOULD NOT  
MEET THE SIZE OF PERSON TEST OF SECTION 7A(a)(3).

PLEASE LET ME KNOW AT YOUR EARLIEST CONVENIENCE IF THIS  
LETTER DOES NOT ACCURATELY REFLECT OUR CONVERSATION. MY  
DIRECT DIAL NUMBER IS [REDACTED] ONCE AGAIN, I  
APPRECIATE VERY MUCH ALL OF YOUR TIMELY ASSISTANCE IN THIS

WC 3/2/11

John.

a little complicated  
but I believe the  
letter is a correct  
reflection of the  
position of this office.

O.K.

Wayne  
2/25/87