

VIA EXPRESS MAIL

Premerger Notification Office Bureau of Competition

Dear Sirs:

I am writing to request an informal interpretation of the Hart-Scott-Rodino pre-merger notification rules, in particular of \$7A(c)(1) of the Act and \$802.1 of the Rules relating to acquisitions of realty transferred in the ordinary course of business.

Our client ("the Company") is

It proposes to sell a package of voting securities and to an investor. The transaction is essentially a means of financing for the Company, inasmuch as it intends (but will not be obligated) to re-

In the proposed transaction, the Company will sell to one or more institutional investors approximately

option to repurchase such Assets incrementally over

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a four year period at a price that will include interest from the date of the sale. The Company intends to re-

Concurrencity with the Assets sale, the

common stock purchase Warrants. The Preferred Stock, voting as a class, will be entitled to elect 20% of the Company's board members.

We believe that the proposed transaction is exempt from the requirements of the Act, whether engaged in by one or more investors, because (1) the acquisition of the Assets is exempt under §7A(c)(1) and §802.1 as in the ordinary course of business, and (2) the sale of the Preferred Stock is exempt under §802.20 because

follows:

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regular course of its business. Such are conventory; they are not income-producing assets. Furthermore, since the Assets to be sold constitute only about 40% of the Company's inventory of such type of

inventory), §802.1(b) does not apply.

(2) The Preferred Stock. Even if the entire value of the Units is attributed to the Preferred Stock, and none to the Warrants, the value of the Preferred Stock under \$801.10(a)(2)(i) is not in excess of \$15

Stock, on the possible theory that the Assets' market value might be less than their acquisition price, because the state seets will be conveyed at the Company's book cost which is below their market value.

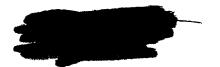
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We request an informal interpretation that in these circumstances no filing is required for the proposed transaction, including the Company's planned repurchase of the Assets. If you have any questions or wish further information, please contact me Thank you for your prompt attention to this matter.

Sincerely,



the transaction involving the might qualify as exempt under

noison which does not the

the sientites transaction is not reportable W. Kaplan 30/88