

## This material may be subject to

## FEDERAL EXPRESS

Freedom of Laurenburg Act

Patrick Sharpe,
Committee Consistint
Pre-Merger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
6th Street & Pennsylvania Avenue, N.W.
Washington, D.C. 20580



As we discussed earlier today on the telephone, I am writing to request your office's confirmation of our position regarding the calculation of the total assets of an acquiring person pursuant to Section 8.01(11)(e) regulations of the permerger notification regulations.

The acquiring person ("Buyer") is a newly formed company whose only assets consist of 10%\_of the outstanding stock of the

psu, uuu, uuu or wnich will be used to buy the stock of larget, \$10,000,000 of which will be used to prepay Target's bank debt and the balance of which will be used to pay acquisition fees.

It is our understanding that, because both the shares of Target stock held by Buyer, and the \$41,000,000 loan proceeds used for the stock acquisition price, the debt prepayment and the acquisition fees, are all excluded under Section 8.01(11)(e), Buyer's total assets will be zero.

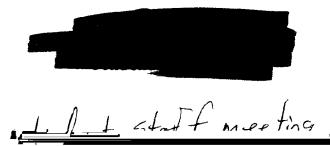
Page Two

Based on this analysis, we will shortly be entering into an acquisition agreement which does not provide for a Hart-Scott-Rodino premerger notification. We would therefore appreciate your views on the above as soon as practicable.

If you have any questions, please call me at the above number.

Thank you.

Very truly yours,



consideration going to the acquired person, Section Gol. 11(e) does not carre out pre-payment if debt to other parties. The "byer" is an \$11.0 mm person.

Called 3-31-89

fosition.