[redacted]

August 9, 1989

[redacted]

Premerger Notification Office
Bureau of Competition, Room 303
Federal Trade Commission
6th Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Telecopier No. (202) 326-2050

Re: Informal Confirmation of Analysis of Proposed Transaction

Dear Mr. Hancock:

The purpose of this letter is to confirm my [redacted]
our analysis of a proposed transaction under [illegible] of the
Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended

[redacted]

transaction will be accomplished in two stages. A publicly-held
company will be taken private in the first stage of the proposed

[redacted]

transaction

[redacted]

officers, directors and significant shareholders of a

[redacted]

indirectly, 100% of the voting securities of such publicly-held
company ("Public Company"). A new corporation ("NewCo") will be
formed by Management and Investor in order to accomplish this

[redacted]

Management will be contributed by Management to NewCo in

[redacted]

[redacted]

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contributed by Investor to NewCo in exchange for voting securities of NewCo. Management will collectively hold approximately two-thirds of the issued and outstanding voting securities of NewCo and Investor will hold the remaining one-third.

Immediately following the formation and capitalization of NewCo, all issued and outstanding voting securities of Public Company, except for those voting securities held by NewCo or Management, will be acquired by NewCo in a cash merger, and NewCo and Public Company will be merged into one entity (the [illegible] "Survivor").

Neither Public Company nor NewCo is (or will be at the time of the consummation of stage one of the proposed transaction) controlled by any other entity and, accordingly, each such entity will be its own ultimate parent entity. Since cash is not an asset of the person from which it is acquired, under Section 801.2(d) of the Rules, NewCo and Public Company will be the acquiring and acquired persons, respectively, in stage one of the proposed transaction. In order for a transaction to be reportable under the Act and the Rules, either the acquired or acquiring person must have annual net sales or total assets of $100,000,000 or more and either the acquired [redacted] Company has (or will have) annual net sales or total assets of $100,000,000 or more at the time of the consummation of stage one of the proposed transaction. It should be noted, however, [redacted] juncture) does have sales in excess of $100,000,000. Inasmuch as the size-of-the-parties test will not be satisfied, it is our understanding that stage one of the proposed transaction will not be reportable under the Act and the Rules.

The letter of intent relating to the proposed transaction provides that, concurrent with the closing of stage one of the transaction, Investor shall enter into an agreement with Survivor, pursuant to which a wholly-owned subsidiary of [redacted] subsequent merger are satisfied, Survivor would acquire 100% of the voting securities of the Subsidiary and Investor would

[redacted]

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receive additional voting securities of Survivor in exchange [illegible]

Based on our telephone conversations, we understand [illegible]

transaction. It is anticipated that at the time of the consummation of stage two of the proposed transaction, Survivor and Investor will satisfy the size-of-the-parties test. Therefore, whether or not there is a reportable [illegible] will depend upon the value of each acquisition of voting securities.

Each acquisition of voting securities (i.e., Survivor's acquisition of the voting securities of the Subsidiary and Investor's acquisition of additional voting securities of Survivor) will involve an acquisition of the [illegible] voting securities of one privately-held entity will be exchanged for voting securities of another privately-held entity, neither "market price" nor "acquisition price" would appear to be determinable. Therefore, based on our discussions, we understand that the value of each acquisition of voting securities will be the fair market value of such voting securities, as determined in good faith by the board of directors of each acquiring person (or of an entity included [illegible]

[illegible] issued to acquire Subsidiary will be substantially less than $15,000,000.

Assuming that such fair market value is less than $15,000,000 in each instance, we understand that Section 802.20(b) of the Rules may then be applied to each [illegible]

of voting securities will confer control of an issuer which, together with all entities which it controls, has annual net [illegible]

and the Rules. If, however, either acquisition of voting [illegible]

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assets of $25,000,000 or more, then either or both of such

subsidiary must be made in order to reach a conclusion with respect to the treatment of stage two under the Act and the Rules.

In conclusion, it is our understanding that stage one of the proposed transaction will not be reportable under the Act and the Rules. With respect to stage two of the proposed

neither Survivor nor the Subsidiary will have annual net sales or total assets of $25,000,000 or more at the time of the consummation of stage two of the proposed transaction, before

Act and the Rules.

We and our client intend to rely upon the conclusions set forth in this letter. Accordingly, we would appreciate your telephoning the undersigned [redacted] if your analysis of the transaction described in this letter differs from ours. Thank you for your continued assistance in this matter.

Very truly yours,

[redacted]

[redacted]

cc: [redacted]