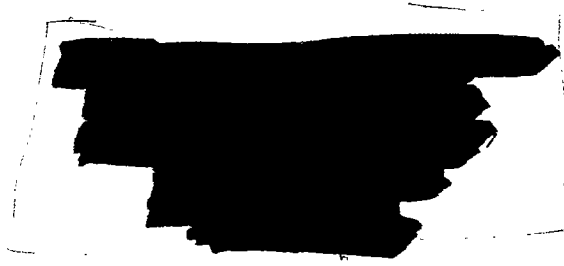


(Control-  
contractual  
power)



This material may be  
March 26 1990  
Section 502  
Confidential

BY HAND

Emergent Notification Office  
Federal Trade Commission  
Sixth and Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

RECEIVED  
MARCH 26 1990  
SECTION 502

Dear Pat:

This letter confirms our conversation this morning concerning the FTC's interpretation of the phrase "[h]aving the contractual power presently to designate 50% or more of the directors of a corporation" which is part of the definition of

I asked you to assume a situation in which Entity A and Entity B have a joint contractual right to designate 50% of the board of directors of Entity C. I asked you to further assume

designated 50% of the director's of Entity C for a number of years. However, Entity B retained the right to jointly designate 50% of the board of Entity C. The issue presented is whether Entity A controls Entity C.

board. Accordingly, neither Entity A nor Entity B controls Entity C as a result of the contract.

Thank you for your cooperation on this matter.



I concur  
(PS)  
(RS) - also concurs