

April 1, 1992
This letter is subject to
the provisions of the
Antitrust Laws of the
United States.

APR 1
FEDERAL
COMMERCIAL
PREMERGER
NOTIFICATION

Premerger Office
H-303
Federal Trade Commission
Washington, D.C. 20580

PM '92
NOTIFICATION

Re: Proposed Transaction

Dear Mr. Sharpe:

The purpose of this letter is to confirm our telephone
a proposed transaction, which is exempt from the filing
requirements of The Hart-Scott-Rodino Antitrust Improvements
Act of 1976, as amended (the "Act"). I understand that you
have also discussed this fact scenario with high officials of the
Commission. The terms used herein which are defined in the

Each of the transactions described below will be
consummated simultaneously.

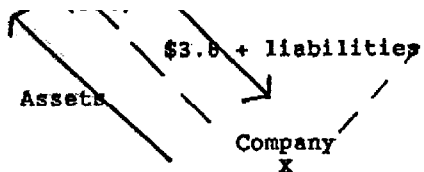
Fifty percent of the voting securities of Company X are
currently owned by Company A and 50% are owned by Company B.



Company X operates various businesses through subsidiaries and

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Asset Acquisition



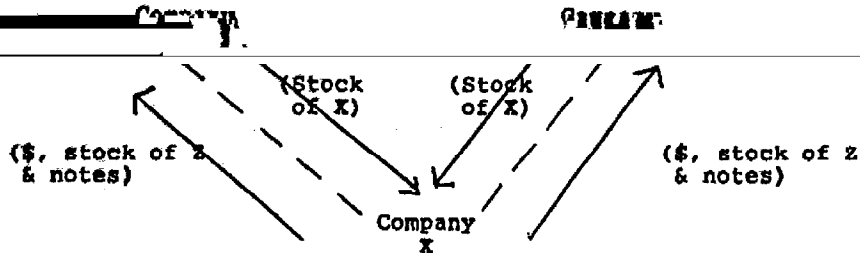
Voting securities of Company X will be sold to the public in an amount that will dilute the aggregate interest of Company A and Company B in Company X to 20% (10% for each of Company A and Company B, respectively). Simultaneously with the public sale and Company A's asset purchase, Company X will redeem its voting securities held by Company A and Company B in

Company X ("Subsidiary Z") and certain existing promissory notes of other subsidiaries or affiliates of Company X held by Company X. Subsidiary Z had annual sales in excess of \$25 million in the last fiscal year. Company A is to receive, as consideration in the redemption, cash (in an amount

affiliates of Company X. Company B is to receive, as

\$9 million or less) and the promissory notes of two affiliates of Company X.

Redemption



In analyzing these simultaneous transactions, one must look

or subsidiary Z as partial consideration for the redemption of the Company X stock they hold is another potentially reportable transaction. A third potentially reportable transaction is Company A's acquisition of the assets of certain subsidiaries of Company X.

~~The acquisition by Company X of its own voting securities~~

under § (c)(3) of the Act and § 801.1(c)(8) of the Coverage Rules.

The acquisition by Company A of (i) the assets of certain subsidiaries of Company X, (ii) 50% of the voting securities of Subsidiary Z, (iii) cash and (iv) promissory notes from affiliates of Company X is also exempt. The cash and promissory notes acquired by Company A are not "assets" under § 801.21 of the Coverage Rules and § (c)(2) of the Act. The receipt of 50% of the voting securities of Subsidiary Z by

the Act and § 801.1(c)(8) of the Coverage Rules in that prior

securities of Subsidiary Z must be aggregated with the value of the assets acquired by Company A from the subsidiaries of Company X. The aggregate value of the assets (not including

*of assets
not first*

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cash and promissory notes
determined in accordance with § 801.10 of the Coverage Rules.
Thus, the asset transaction is exempt under § 802.20 of the
Coverage Rules and the voting securities acquisition is exempt
under § (c)(3) of the Act.

The receipt by Company B of 50% of the voting securities of
Subsidiary Z, cash and promissory notes from affiliates of
Company X as consideration for the redemption of Company X
stock held by Company B is also exempt. The cash and
promissory notes are not "assets" under § (c)(2) of the Act and
§ 801.21 of the Coverage Rules.

Very truly yours,