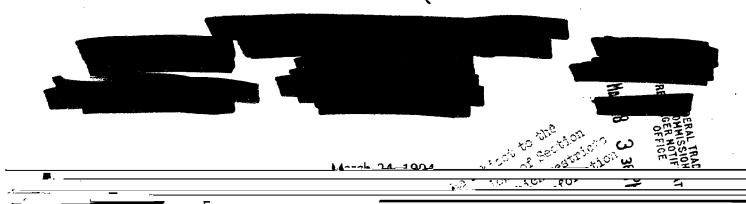
1- 801.1 (c) (4); 7A (a) (2) (A) and (C)



Tellierger and Trouncation Office

Room 303

RE: Necessity of Hart-Scott-Rodino Filing on Behalf of

Dear Mr. Smith:

Pursuant to our conversation on March 22, 1994, regarding the necessity of our client, filing the requisite notification under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. §18a; "Hart-Scott-Rodino"), we submit, on behalf of the Company, this letter describing the proposed transaction and our interpretation of Hart-Scott-Rodino and request your office's comment.

Background

The Company is a specialty retailer namerily expressed in the retailing and

T. W. G. S. L.

distributes high quality [

Unable to resolve its financial problems resulting from its debt leverage, a

wholly-owned subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §101 et. seq., on On Chapter On Chapter the Company, along with the other debtors, filed a Fourth Amended Joint Plan of Reorganization with the Bankruptcy Court (the "Reorganization Plan"). The Reorganization Plan was confirmed by the Bankruptcy Court on Chapter and became effective on Chapter 11 of the United States Bankruptcy Court (the "Reorganization Plan").

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remained secured by substantially all of the Company's real estate.

The Company, and its subsidiaries, meets both the annual net sales and total assets limits under Hart-Scott-Rodino.

II. General Description of the Proposed Transaction

The presence interpole to form a Turnet in which enhanced aller all of the

approximately Million of debt currently owed by the Company to the Lenders will also be transferred to the Trust. The beneficiaries of the Trust will be the Company and some of its subsidiaries.

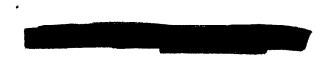
manner as it determines in its sole and absolute discretion without the consent from the Company.

The residual of the Trust, if any, after full payment of the assumed debt and

III. Interpretation Under Hart-Scott-Rodino

In our view the filing of a notification under Hart-Scott-Rodino is not required for the above-described transaction for each of the following reasons:

A. Prior to the proposed transaction the Trust as the "acquiring person" will have no assets or annual net sales, the transaction therefore fails to satisfy any of the



Mr. Dick Smith March 24, 1994 Page 3

required tests of §18a(a)(2), each of which require minimum annual net sales or total assets of the "acquiring person".

Since the Company and some of its wholly award subsidiaries retain acquiring person.

Based on this reasoning, we feel that Hart-Scott-Rodino is never triggered.

We would appreciate your prompt response to this letter. We understand that the days and limited and the days and limited and the days are to be days and limited.

Very truly yours,

Very truly yours,

3/30/941- The Company has named that and some of its subschares as the