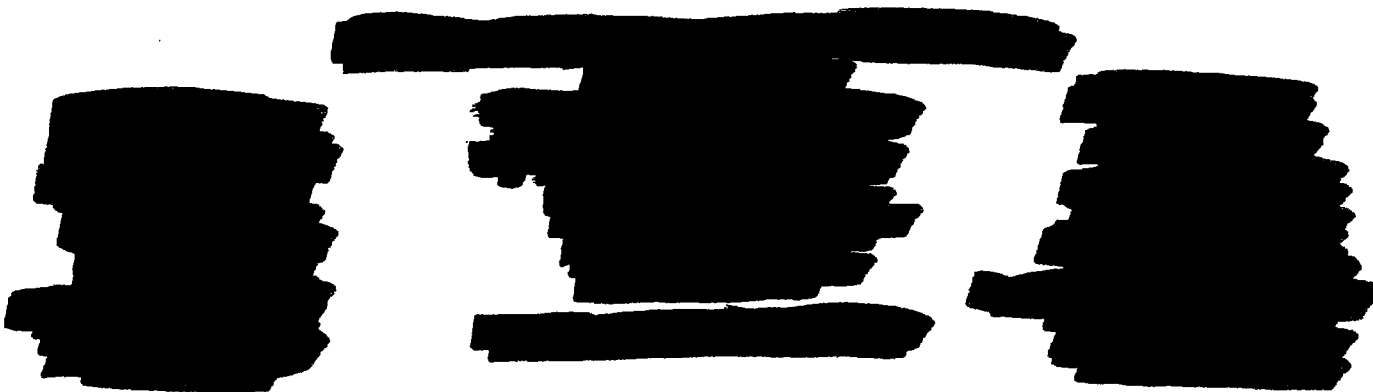


801.11(c)(2)



May 17, 1994

Premier Notification Office
Bureau of Competition, Room 303
Federal Trade Commission
Sixth St. and Pennsylvania Ave., N.W.
Washington, D.C. 20580

under the Freedom of Information Act
MAY 17 1994
FEDERAL TRADE COMMISSION
RECEIVED

This letter memorializes the advice you provided yesterday over the telephone regarding the appropriate analysis under the

publicly traded corporation and its ultimate parent prepared in July of 1993, shows annual net sales of less than \$10 million.

In its fiscal year ending May 31, 1994, A's annual net sales will exceed \$10 million. A's audited, final statement of income and expense for this fiscal year is not anticipated to be completed until July. However, each month A prepares an internal financial report showing sales and expenses for the previous month and the year-to-date. The monthly report for May 1994, which will be circulated on or about June 10, will show sales and expenses for a year-to-date consisting of the full 12 months of A's fiscal year. The sales and expense data in this report,

I asked you whether the monthly financial report for May 1994, which will contain preliminary, unaudited 1994 income and expense data, subject to adjustment and modification, constitutes a "regularly prepared annual statement of income and expense"

