

[REDACTED]

[REDACTED]

[REDACTED]

August 1, 1994

AUG 1

PREMISES

644 Street & Pennsylvania Avenue, N.W.

I am writing to confirm the content of our two telephone conversations today concerning whether certain items of a stock purchase agreement are considered part of the value of the

AUG 1
PREMISES
FEDERAL

As I stated, the agreement at issue involves the following elements that are potentially relevant to determining the size of the transaction:

AUG 1
ACTION

1. Payment, at closing, by the acquiring person to the acquired person, of \$14,742,000 in consideration for 100 percent of the outstanding securities of the acquired person;
2. Payment, at closing, by the acquiring person to creditors of the acquired person, of \$2,961,000 in payment of debts of the acquired person;
3. At closing, the acquired party becomes contractually obligated to, six months from the date of closing, pay \$3,316,000 in cash to employees of the acquired person in consideration for cancellation of the employees' options to buy voting securities of the acquired person. The \$3,316,000 amount was determined by

See #119
PMP manual

[REDACTED]

Mr. Patrick Sharpe
August 1, 1994
Page 2

You informed me that items 2 and 3 of the transaction did not constitute part of the value of the transaction for purposes of the Act, and that, based on the information that I had provided you, it was your conclusion that the transaction did not

transaction under the ACT.

not discuss it
with RS.

Our law firm represents the acquiring person in the transaction. I have discussed this letter with counsel for the acquired person who concurs with the description of the transaction contained in this letter.

I appreciate your assistance in this matter. Please contact me if I have incorrectly described the content of any portion of our telephone conversations or if you believe that the

[REDACTED]

I concur with
this letter. (PS)

[REDACTED]