

\$13.5 Million and Seller's 48% of the

for \$2 Million,

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subject to the prior satisfaction of the condition described in paragraph (b) below.

potentially) reportablesUpon signing the Purchase Agreement, Purchaser will commence a tender offer for the 52% of the key key key key key held by persons other than Seller for a total consideration of approximately \$2 Million (the same per share price to be paid to Seller for its

of Durchasor obtains agamitments from such ather

minimum of 80% of the when combined with Seller's 48%), then Purchaser will concurrently close on (i) the acquisition of the and the get from Seller and (ii) the

through the purchase from Sollar and the tender offer decerthed

transaction baradaut to without it will acdaire the paratice of file

Assuming all parties meet the requisite size-of-the-person test, the issues we discussed centered around whether or not the acquisition of the get by Purchaser, under the above facts, would be aggregated under the Act and FTC Rules for purposes of the \$15 million threshold of the size of the transaction test. Applying the provisions of the Act and the FTC Rules to the facts presented, we agreed with the following analysis:

- (a) is its own "ultimate parent entity" because no single person owns
- The only asset being acquired by Purchaser from Seller, for purposes of applying the \$15 Million threshold under the Act and FTC Rules, is the Pursuant to FTC Rules \$801\_21(h), the of the seller for purposes of determining the assets (and value thereof) of Seller being acquired by Purchaser as a result of the proposed acquisition; and

Ms. Melea Epps, Esq. October 25, 1994 Page 3

Applying the foregoing and FTC Rules §§801.13, 801.14 and 801.15 to the facts presented the value of all essets being acquired from Saller is \$13.5 Million (the purchase price of the value of the voting Saller being acquired is \$4 Million (\$2 Million to Seller and \$2 Million to the other shareholders). Under the

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and, accordingly, neither party is required to file a Notice and Report Form in

Please confirm that this letter accurately reflects our discussion and the

Again, thank you for your time and the courtesy you extended to me in assisting me to determine the applicability of the Act and the CETC Bullet. If you have

Very truly-vours,

JAG:1r

10/27 - I called and discussed with him the corrections

CC:

facts had changed somewhat, he will sind fallow-up letter