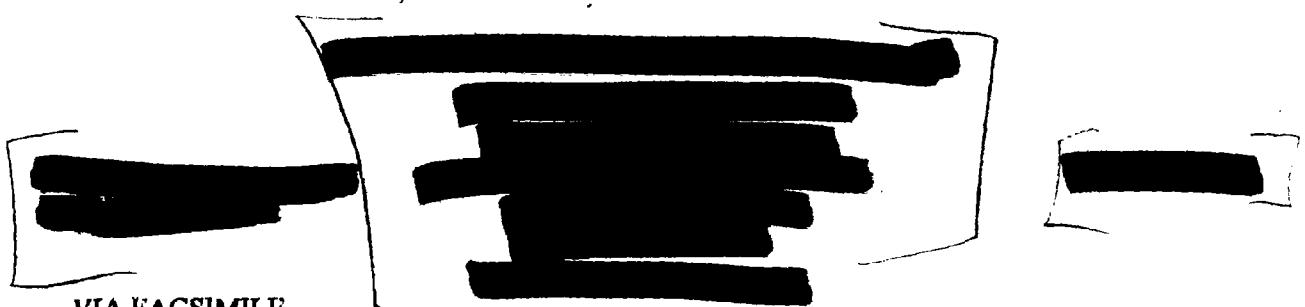


DT

80-440-100-11-1



VIA FACSIMILE

February 6, 1995

Mr. Richard Smith
 Premerger Notification Office
 Federal Trade Commission
 Washington, D.C.

Re: Application of Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act")

D-100-100-

The purpose of this letter is to advise you concerning the proposed transaction between [REDACTED] and [REDACTED]

company and you agreed with me that the transaction would not be reportable under the Act
because the size of transaction test is not satisfied.

A/D

The proposed transaction is the formation of a limited liability company and involves contributions to the size of transaction test. Two [REDACTED] will contribute

[REDACTED] to the limited liability company, which loans will be documented by promissory notes that [REDACTED] will be given commercially reasonable terms and conditions including scheduled periodic principal

also be given a membership interest in the limited liability company, but will not contribute any [REDACTED]

[REDACTED] company will serve as officer as the initial manager.

Under the Premerger Notification Office's recently articulated criteria for determining whether or not memberships of a limited liability company are voting securities, it appears that the memberships in this case should be considered voting securities. Even if these memberships are voting securities, the size of transaction test is not met by any of the parties. The amount contributed by each [REDACTED] to the limited liability company establishes the value of the [REDACTED] at less than \$15 million each. The fact that each [REDACTED] will make a

SENT BY:

2- 6-95 : 4:34PM :

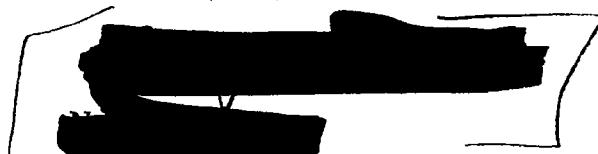
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loan to the limited liability company should not increase the value of their respective
memberships. Therefore, none of the members can be said to hold voting

memberships carries the right to elect 50%

Very truly yours,



AB

7/7/95. Writer advised that loans to LLC are being

rate. Advised that if rate were below a "commercially reasonable rate," the difference
must be added to value of "voting securities" held by members. Writer advised
that such is not the case here. I concurred in conclusion that formation
of LLC was not reportable under 8C4.2C. (Trans to LLC by member have been
counted in as assets of LLC.)

