

802.6
vc

Taking best of voting stock of debtor is
except under 802.63 as part of "non default"

press or
work as long

[REDACTED] as a bona-fide debt
[REDACTED] as they are not
[REDACTED] arrangement was entered

competitors & credit

VIA FACSIMILE
into in normal course of business. Trade so indicate.
February 22, 1995

Mr. Victor Cohen
Premerger Notification Office
Federal Trade Commission
Washington, D.C.

Re: Application of Hart-Scott-Rodino Antitrust Improvements Act of 1976

The purpose of this letter is to confirm our telephone conversation of yesterday in which we discussed the Premerger Notification Office's interpretation of 16 C.F.R. §802.63 of the regulations promulgated under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act").

The situation of which we spoke involves an acquisition of the stock of a corporation ("Company") by a supplier of raw materials ("Supplier"). Company has for some time been

which Supplier would continue to provide raw materials to Company under certain conditions. One of the stated conditions was that the stockholder of Company would pledge shares of Company to purchase the shares of Company stock at a total purchase price of \$1,150,000

of Company, preferably through exercise of the \$1 option.

In our discussions, we stated that the Premerger Notification Office has long held the exercise of the \$1 option would fall within the "non acquisition in foreclosure or upon default"

the type sold to Company. In conducting its business, Supplier reaches various payment terms and conditions with its various customers. Supplier's decision to continue to sell materials to Company was based upon the collateral and option arrangement reached with the stockholder of Company. Previously, when Company was held by another stockholder, Supplier entered into a similar collateral and option arrangement with that stockholder. Supplier considers entering into

Mr. Victor Cohen
Premerger Notification Office
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various collateral arrangements with customers, such as the one used here, as being in its ordinary course of business.

On the basis of our discussion and the facts outlined in this letter, Supplier intends to exercise the option without filing under the Act because it considers the exercise to be exempt

of 16 C.F.R. §802.63 or its application to these facts.

Very truly yours,

A rectangular box containing a completely redacted signature and name, represented by several thick black horizontal bars.