FEDERAL TRADE COMMISSION
PREMERGER NOTI[illegible]

July 12, 1995

By Federal Express

Hy David Rubenstein, Esq.
6th Street & Pennsylvania Ave.
Premerger Notification Office
Federal Trade Commission
Washington, DC 20580

This material may be subject to the confidentiality provisions of Section [illegible]

Dear Mr. Rubenstein:

Pursuant to our telephone conversation last week with respect to the transaction [illegible]

corporation ("Corporation P") that is controlled by an individual ("Father") and the merger of a wholly-owned subsidiary of Corporation P ("Acquisition") with a publicly-traded corporation ("Corporation S"). Corporation P currently possesses voting securities entitled to elect more [illegible]

Corporation P currently has three classes of capital stock outstanding: Series A Preferred Stock, Series B Preferred Stock and Common Stock. Father owns 100% of the outstanding preferred stock. Father has five adult children who [illegible]

The holders of the Series A Preferred Stock and the Common Stock of Corporation P are entitled to one vote per share with respect to the election of directors of Corporation P, and these two classes vote together -- not as separate classes -- for directors. The holders of Series B Preferred Stock are not entitled to vote with respect to the election of

outstanding and 9,375 shares of Common Stock of Corporation P outstanding. Thus, Father controls Corporation P for purposes of the Act because he owns 53% of Corporation P's outstanding voting securities.

Corporation S has two outstanding classes of common stock. Class A Common

right to elect 75% of Corporation S's directors. Corporation P owns approximately 20% of the

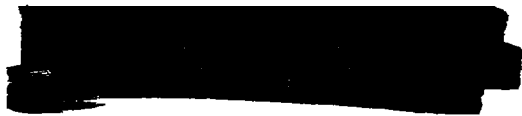
Corporation S for purposes of the Act.

801.12(...) 57.5%

Father and his children will form a limited partnership that will own all of the outstanding Series A Preferred Stock and Series B Preferred Stock of Corporation P and a majority of the outstanding Common Stock of Corporation P. A newly-formed corporation, 100% of the stock of which is owned by Father, will serve as the sole general partner of the limited partnership. The remainder of the outstanding Common Stock of Corporation P will continue to be owned by the children of Father and a trust for the benefit of one of the children. As we discussed, the formation of the limited partnership is not reportable for purposes of the

Upon formation of the partnership, and by virtue of the cumulative voting

of the partnership on dissolution. Following the formation of the partnership and in connection with the merger of Acquisition and Corporation S, the capital stock of Corporation P will be recapitalized pursuant to an amendment to Corporation P's Certificate of Incorporation. As a result of the recapitalization, Corporation P will have Class A Common Stock and Class B Common Stock outstanding and no preferred stock outstanding. The Class A Common Stock of Corporation P will be entitled to elect 25% of Corporation P's directors, and the Class B Common Stock of Corporation P will be entitled to elect 75% of Corporation P's directors. The partnership initially will hold all of the outstanding Class B Common Stock. The children of



[illegible] Corporation P.

All of the children are adults, and none of the children individually will receive more than $15 million worth of voting securities of Corporation P or more than 15% of the outstanding voting securities of Corporation P as a result of the recapitalization. [illegible]

[illegible]

[illegible] of the merger, Father and one or more children will hold voting securities of Corporation P having a value in excess of $15 million.

The two potentially reportable acquisitions of voting securities as a result of the transaction described above are: (1) the acquisition of newly issued voting securities of Corporation P by Father (through control of the partnership) as a result of the recapitalization of Corporation P and (2) the acquisition by Father (individually) and certain children of the [illegible]

because each acquiring party will in fact have less control following the consummation of the transaction than such party had immediately before the transaction.

As we discussed, the acquisition of voting securities of Corporation P by Father and the children as a result of the merger should be exempt under Section 7A(c)(10) of the Act. Prior to the merger, Father will hold more than 90% of the outstanding voting securities of Corporation P by virtue of his control of his partnership. Because the "public" shareholders of Corporation S will receive a larger number of voting securities of Corporation P issued in

connection with the merger than Father, the percentage of Father's ownership interest in Corporation P will not increase. In fact, his percentage ownership in Corporation P will be

likewise will be reduced.

With respect to the recapitalization of Corporation P, the recapitalization is an integral and necessary step for the merger of Acquisition and Corporation P that will occur

and the merger should be viewed as one transaction. As indicated above, the percentage of Corporation P stock held by Father, individually and by virtue of his control of the partnership,

Additionally, as a result of the recapitalization, Father's actual control of Corporation P will decrease. Prior to the recapitalization, the Partnership can elect all of the

the right to elect directors is decreased.

The parties desire to consummate the transaction prior to September 5, 1995. Please confirm to me that the transaction is not reportable under the Act. If you have questions or need additional information, please contact me

Very truly yours,

26 July 95:
Called writer to
confirm letter