

801.30 ; 801.11

[REDACTED]

[REDACTED]

January 22, 1996

VIA TELECOPIER

Mr. Richard Smith
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
Sixth Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: [REDACTED] Group, L.L.C.

Dear Mr. Smith:

The purpose of this letter is to provide you with certain additional information relating to [REDACTED] Group, L.L.C. ("Group") requested by you during our telephone conversation on January 19, 1996.

It is currently expected that [REDACTED] Group will be formed prior to February 14, 1996. At formation it is expected that [REDACTED] Group

and Participating Sponsor will have an equivalent membership

interest representing 15% of the equity of [REDACTED] Group or having a value of \$15,000,000. [REDACTED] Group has total assets of

The timing of the acquisitions of [REDACTED] by [REDACTED] Group

had total assets of approximately \$20 million at its most recent balance sheet date and annual net sales of approximately \$42 million in fiscal 1995. [REDACTED] had total assets of approximately \$15 million in fiscal 1995. Accordingly, ✓

[REDACTED]

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regardless of which acquisition occurs first, no party to either acquisition transaction will have \$100 million in total assets or

Based on these facts, I believe that the initial formation of

the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

I would appreciate if you would either call me at [redacted] to confirm your agreement with our analysis based on these facts

you may need in order to complete your analysis.

Best regards.

[redacted signature block]

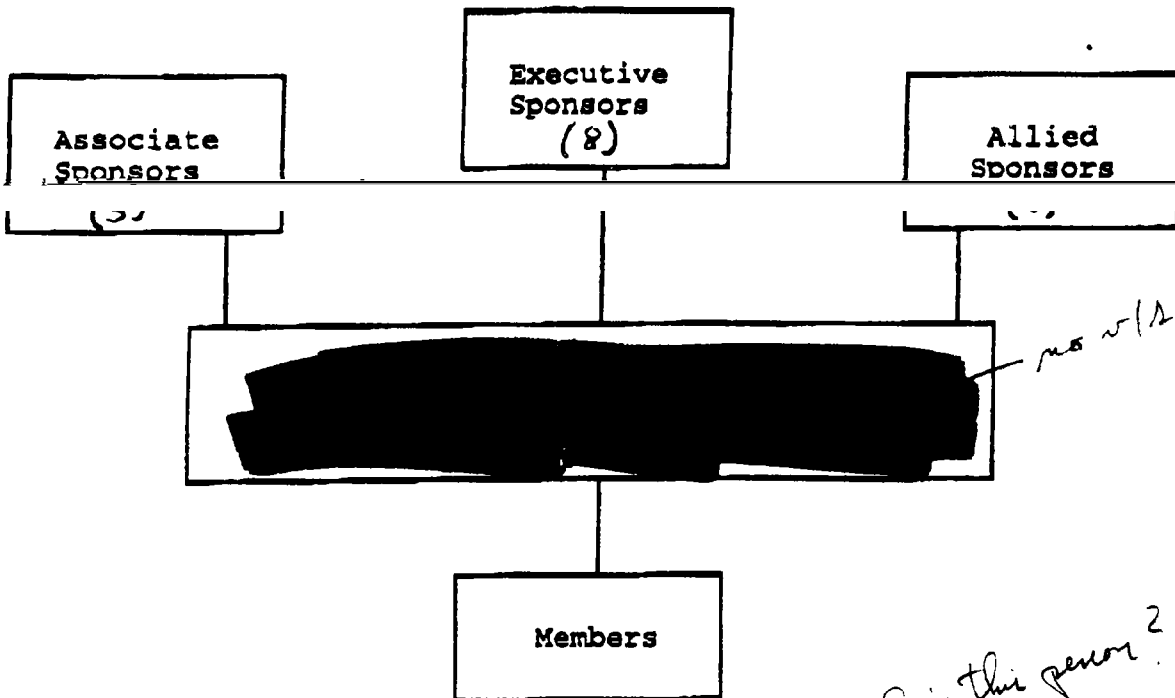
1/24/96 Called MM. She confirmed that LLC
+ M. + I believe two acquisitions take place.

companies to be acquired. No consideration for
The... include all entities they control and,

person in either of the two acquisitions; → agree in person
of LLC and its subsequent acquisitions were not HSR reportable.

RS Smith

STRUCTURE



Notes:

1. Each Executive Sponsor appoints a member of the [redacted] Board of Directors. Only Executive Sponsor Directors have the right to vote on corporate governance matters (e.g., charter and by-law amendments).

2. Allied Sponsors voting as a class nominate one member of the [redacted] Board for each five Allied Sponsors (for election by Executive Sponsor Directors); currently, there are five Allied Sponsors and one Allied Sponsor Director.

3. Associate Sponsors voting as a class nominate one member of the [redacted] Board (for election by Executive Sponsor Directors), but [redacted] to do so if there are fewer than five Associate

4. Members have no voting rights, except that members elect

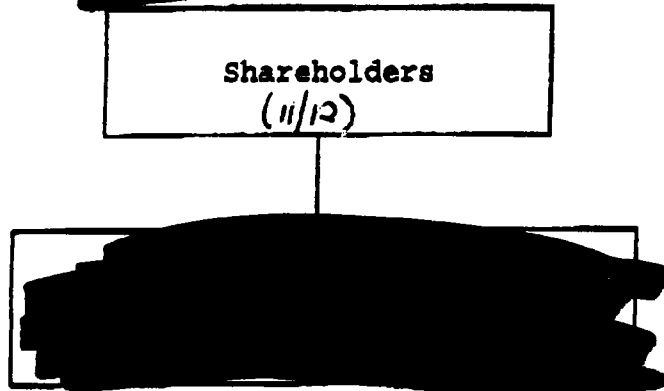
Who is this person?

independent [redacted] etc.). Currently,
one At-Large [redacted] representing the [redacted] community is
serving on the [redacted] Board.

5. The President of [redacted] is an ex officio member of the [redacted]
Board.

[redacted]

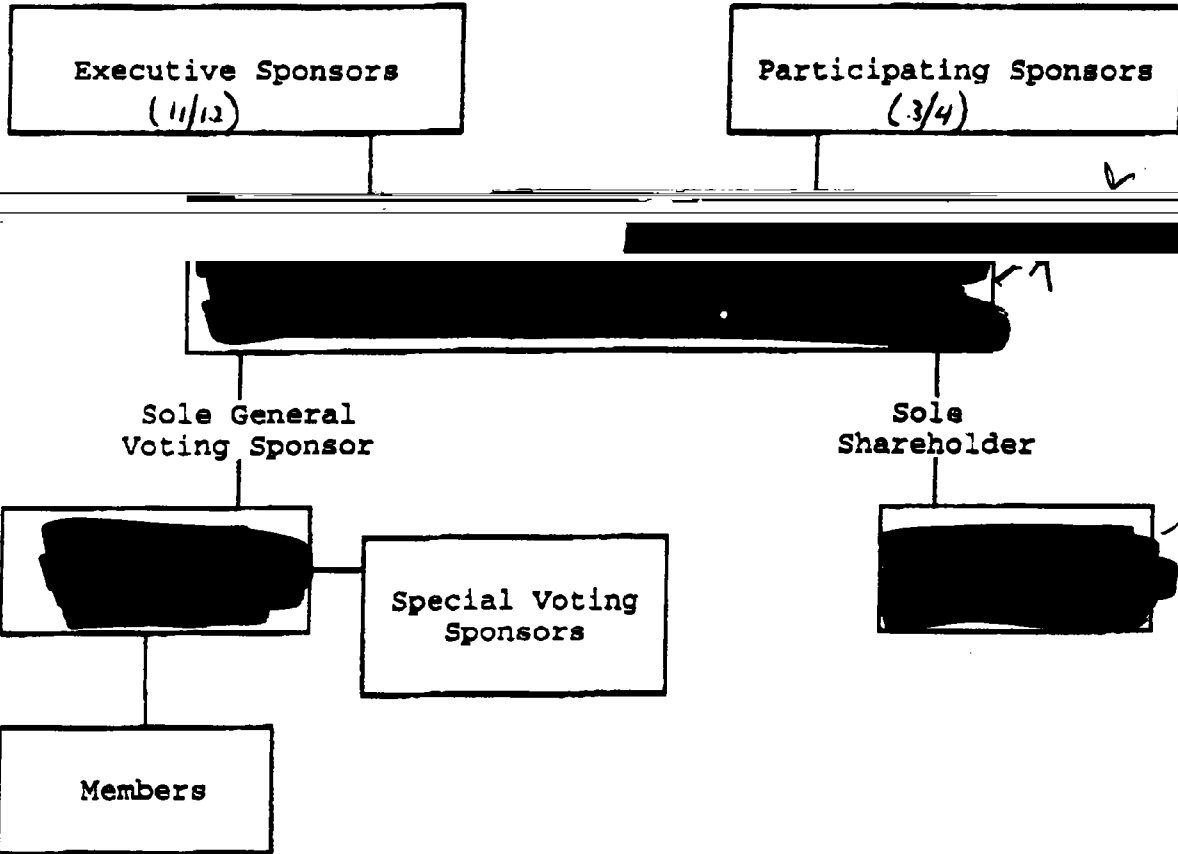
[REDACTED] STRUCTURE



Notes:

1. Each [REDACTED] Shareholder appoints a member of the [REDACTED] Board of Directors.
2. Also serving on [REDACTED] Board of Directors are two Directors representing the [REDACTED] community and one Director representing the [REDACTED] community.

[REDACTED] GROUP STRUCTURE



Notes:

1. [REDACTED] Group is to be a newly formed [REDACTED] limited liability company.

2. all of the initial members of [REDACTED] Group (classified into "Executive Sponsors" and "Participating Sponsors") will be current [REDACTED] Sponsors or [REDACTED] shareholders.

3. [REDACTED] Group will be governed by its Oversight Board, composed of one representative of each Executive Sponsor, one representative for all Participating Sponsors, and representatives of the various communities (who, at least initially, will be the current [REDACTED] and the current At-Large Director of [REDACTED]] *who is this?*

4. [REDACTED] Group will become the sole member of [REDACTED] with general voting powers; all other [REDACTED] sponsors will resign, except four

current [redacted] Executive Sponsors who will remain as Special Voting Sponsors with voting powers limited to certain very restricted matters, for historic reasons. Members of [redacted] that are not sponsors will remain as such, but will no longer have the right to nominate At-Large Directors of [redacted]

5. [redacted] Group will become the sole shareholder of [redacted] and, as such, elect all members of the [redacted] Board of Directors.
