

May 18, 1998

VIA FEDERAL EXPRESS

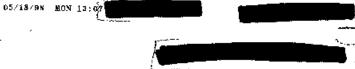
Dick Smith, Esq. Senior Attorney Fremerger Notification Office Bureau of Competition Federal Trade Commission, Room 303

Dear Mr. Smith:

This letter is to confirm the oral advice from your

transactions in the attachments, and as further discussed with us, you have concluded that no premerger notification is required under the Hart-Scott-Rodino Antitrust Improvements Act for Transaction One, either in connection with the formation of LLC,

Corp. are newly formed for purposes of this transaction, and do not have regularly prepared balance sheets. Substantially all of the \$9.9 million being contributed to LLC by its members will be invested in Holding Corp. to fund the acquisition of Operating Company. Similarly, the aggregate \$9.9 million and \$2.4 million being contributed to Holding Corp. by LLC and Existing Corp. will be used by Holding Corp. to fund the acquisition of Operating

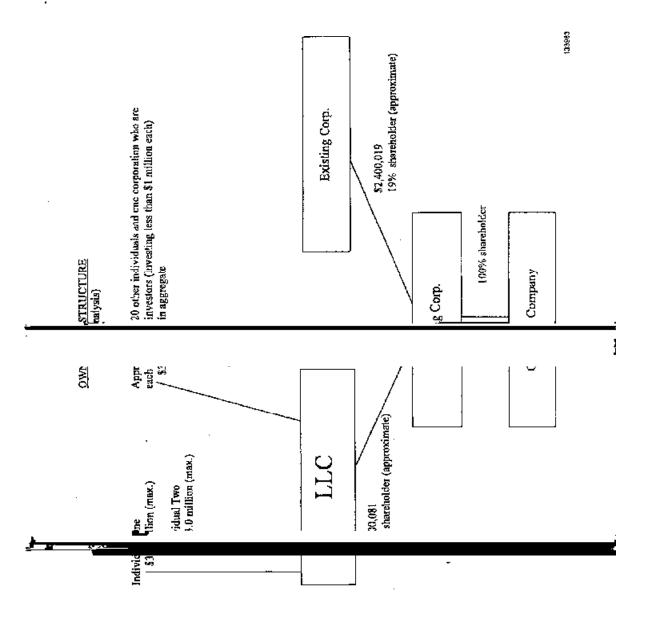


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Company. Thus, in preparing the pro forma balance sheets for ILC and Holding Corp., such amounts would be subtracted, leaving LLC close to a zero dollar acquiring person. Rula § 801.11(e).

Thank you for your prompt review and response to our inquiry.

Since LLC is only a 9.94th parson no filings would be required for its formation over of its streture most its more like a congression.



The relevant facts to the analysis of whether a Pre-Merger Notification and Report Form (a

required, are as follows:

Transaction One:

purchase price will be financed through borrowings from an unaffiliated commercial bank and/or proceeds from sale of certain assets of the Operating Company in Transaction Two.

- Operating Company is presently a wholly-owned subsidiary of a corporation with greater than \$100 million in total assets and annual net sales.
- 3. LLC is being formed for this transaction and will own approximately 81% of the outstanding shares of Holding Corp. No member of the LLC has or controls 50% or more of the ownership interests in the LLC. No member of the LLC has the power to vote 50% or more of the voting interests in the LLC. No member of the LLC has the right to 50% or more interest in profit or liquidation distributions of the LLC. No investor in LLC or Holding Corp. is guaranteeing any loan or other indebtedness.

Transaction Two:

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respect to this asset sale will be making an HSR Filing in connection with such transaction.

5. Pased upon our research and the foregoing structure, we have concluded that no HSR

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