

MAY-19-88 TUE 01:55 PM

P. 01/03



DATE: May 19, 1998

SENT BY:

RE:

CLIENT NO:

NO. OF PAGES: 3 (Including cover page)

TO BE DELIVERED TO THE FOLLOWING:

NAME: Dick Smith, Esq.

FAX NO.: (202)326-2624

COMMENTS:

MAY 19 3 09 PM '88

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION
OFFICE

THE INFORMATION CONTAINED IN THIS FACSIMILE TRANSMITTAL IS INTENDED FOR THE PERSONAL AND CONFIDENTIAL USE OF THE DESIGNATED RECIPIENTS NAMED ABOVE.

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[REDACTED]

P [REDACTED]

[REDACTED]

801.11
801.40

[REDACTED]

[REDACTED]

[REDACTED]

May 19, 1998

Via Facsimile Transmission
and Ordinary Mail

Dick Smith, Esq.

Sixth Street & Pennsylvania Avenue, NW
Washington, DC 20580

RE:

[REDACTED]

Dear Mr. Smith:

The following are the procedural steps which will be taken to accomplish the captioned transaction.

1. [REDACTED] will be formed for the sole purpose of purchasing stock in [REDACTED] from certain [REDACTED] will own a controlling interest as defined in 16 CFR §801.1(b). Each of the shareholders of [REDACTED] will own less than \$15 million in voting securities in [REDACTED]
2. [REDACTED] will raise approximately \$27 million in cash through equity investments by its shareholders and borrowings. Virtually all of the cash raised will be utilized by [REDACTED] to purchase approximately 25-30% of all outstanding [REDACTED] stock amounting to [REDACTED] million.

[REDACTED]

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It is my understanding that the formation of [redacted] will not be a reportable event because each of [redacted] shareholders will hold less than \$15 million in its stock. It is also my understanding that the purchase of [redacted] stock by [redacted] would not be reportable because neither [redacted] sales or assets exceed \$100 million. The asset and volume levels of [redacted]'s shareholders will not be considered because due to their ownership of less than 50% of [redacted] stock, they will not be considered the "ultimate parents" of [redacted].

It is my further understanding that the subsequent merger of [redacted] is also exempt from reporting because of the size of the parties.

At your earliest convenience, I would appreciate your calling me [redacted] to confirm that, in fact, it will not be necessary to file a Buy-Merger Notification Form in connection



cc:



called [redacted] 5/21/98
This transaction does not meet
the size-of-person test.

(BS) RS concurs

