

7A(a)(2)(B)
801.15
801.11

[Redacted]

[Redacted]

June 12, 1998

BY FACSIMILE & CERTIFIED MAIL

PS

Patrick Sharpe, Esq.
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
6th & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

I am not an attorney

Dear Mr. Sharpe:

Thank you for taking the time to discuss Hart-Scott-Rodino ("HSR") interpretation issues on Monday, June 8, 1998. As we discussed, I would like to take this opportunity to memorialize and confirm our conversation regarding the following set of facts:

Background Facts Discussed

but not \$100 MM

[Redacted]
excess of \$10 million in total revenue; therefore, the issue of whether B is "engaged in manufacturing" under the HSR Act is determinative. Both A and B are their own ultimate parent entities ("UPE"). A proposes to acquire certain assets of B, and it is assumed that such

[Redacted]
agreement between A and B (distinct from the asset purchase itself). No separate consideration is to be paid for such prototype(s), although A will bear all legitimate costs of B in B's development efforts, including the cost of such prototype(s).

Has not yet done - when the transaction takes place, the parties will be looking back at the most recent financial statements.

[Redacted]

Patrick Sharpe, Esq.
June 12, 1998

as reflected on
at least regular
Council
preparation
Statement

Note in

Issues Confirmed

not less

black with the details of census

that we should revisit the issue in greater detail prior to assuming otherwise.

4. If B produces more than one prototype, one or more of which is used by A for the research and development purposes described in Item 2 above, and one or more of which is used

what does
census say

reasonable overhead -- or some other good faith valuation method consistent with accounting principles.

If you feel that anything in this letter does not accurately summarize our conversation, or is inaccurate in any other respect, please do not hesitate to contact me as soon as possible. Thank you once again for your consideration of this matter. I look forward to speaking with you again in the future.

Very truly yours,

[Redacted signature]

Called [Redacted] 6/17/98 and informed him of our comments noted on this letter. AS concurs