



June 12, 1998

## BY FACSIMILE & CERTIFIED MAIL

Patrick Sharpe Esq. — Land No. 1
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
6th & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Mr. Sharpe:

٠ſ

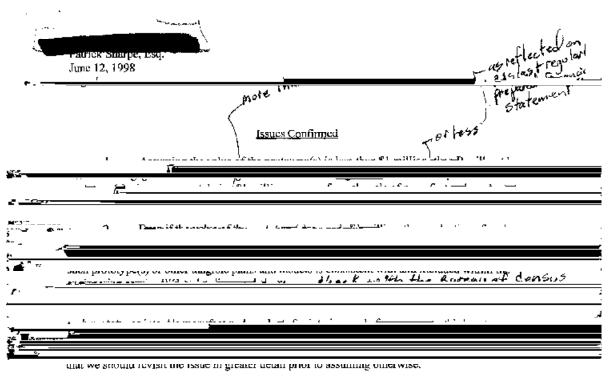
Thank you for taking the time to discuss Hart-Scott-Rodino ("IISR") interpretation issues on Monday, June 8, 1998. As we discussed, I would like to take this opportunity to memorialize and confirm our conversation regarding the following set of facts:

Background Facts Discussed

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

is to be paid for such prototype(s), although A will bear all legitimate costs of B in B's development afforts, 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.



4. If B produces more than on 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 that the second of th

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.

