

April 20, 1999

By Facsimile

*I am not an attorney*

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Premerger Notification Office  
Federal Trade Commission  
Sixth Street and Pennsylvania Avenue, N.W.  
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APR 20 1999  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Thank you for taking our call on Monday afternoon. Following up on my conversation with you and [redacted], I want to summarize the facts, analysis and conclusions of our

[redacted] regarding the following:

material is consigned by the Seller to its customer under a consignment agreement.

(3) In connection with the asset purchase, Buyer will acquire title to the Seller's raw customers after the closing of the transaction for use in processing customer orders with Buyer. Buyer will assume the consignment agreements.

(4) Buyer will purchase Seller's stock of the raw material (which Seller can also use

of Buyer's raw material.

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(5) The value of the raw material is about \$1 million. You may assume for purposes

The question that we presented to you yesterday afternoon is whether and how the exchange set forth as element (4) above affects the calculation of the "Size of the Transaction"

the purchase price in measuring the total consideration for the deal?

I believe that we concluded that the value of the exchanged raw material is not included in the measure of the size of the transaction. While the buyer is acquiring raw material worth about \$1 million, it is simultaneously giving up the very same amount of the very same material

*you should include in the size*

measurement of the size of the transaction.

I would appreciate it if you would confirm for me whether this accurately reflects our conversation and your conclusion. Would you call me, [redacted] with your thoughts?

Very truly yours,

*The consideration going over to seller is in excess of \$15.0mm. This meets the size-of-transaction test.*

*and informed her of the above*

*(PS) (RS) concur (TH) concur*

*Did not read letter but concur with my answer based on initial presentation*