

Navember 6, 2000

Via Facsimile

Mr. Michael Verne Premerger Notification Office Burcau of Competition Federal Trade Commission 6th & Pennsylvania Avenue, N.W. Washington, D.C. 20580

Dear Mike:

Thank you for your time and advice Friday. I write to review the facts we discussed, provide additional information regarding the appointment of the boards of the current organizations, and confirm your advice.

Two businesses, A and B, recognized as non-profit organizations under § 501(c)(3) of the Internal Revenue Code, intend to form Newco, also a non-profit organization. A and B will be the sole members of Newco.

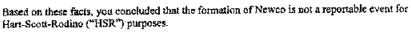
Newco will have no appreciable assets. A and B will each appoint 50% of the members of Newco's board. The President of A and the CEO of B will serve as ex officio members of Newco's board, and can be removed, in effect, from those ex officio scats by Newco's board under certain circumstances.

Newco will have substantial control over the business activities of A and B. I explained, for example, that Newco would exercise control over budgets and capital expenditures of A and B, and could in some circumstances influence who is named as CEO of A or the President of B.

As you requested, I supply here additional information regarding the appointment of the boards of A and B. A's board will perpetuate itself through self-selection, according to its own by-laws, and the members of B will continue to elect the members of B's board. Newco will not name or appoint any member of the boards of either A or B.



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If I have misstated your conclusion regarding the HSR reportability of Newco, please contact me at your earliest convenience.

Thank you again for your time and assistance.

Sincerely,

ALTHOUGH THIS IS A DEFACTO CONSOLIDATION OF THE

BUSINESSES OF A & B There IS NO REPORTABLE ELECT.

A & B COME TO CONTROL NEWED TYRROUGH IT!

A & B COME TO CONTROL NEWED TOROUGH IT!

FORMATION, BUT NEWED DOES NOT CONTROL ANYTHOUGH

AND DOES NOT HELD ANY OF THE ASSETS OF THE A & B

BUSINESSES. THIS IS IN EFFECT A JOINT OPLIANACE

ADDIENSES. ACCOMPANHED THROUGH THE FORMATION OF

A SHELL NOT-FOR PAREIT JOINT VOITURE.

T. HANCOCK & N. OVURA ARREE.