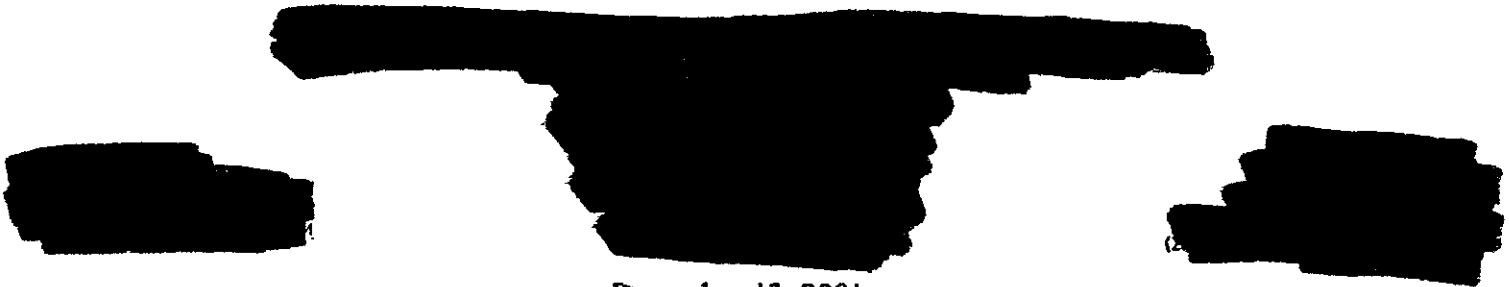


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December 13, 2001

BY FACSIMILE TRANSMISSION

Mr. Michael Veme
Premerger Notification Office
Federal Trade Commission
Bureau of Competition
Room 303
600 Pennsylvania Ave., N.W.
Washington, D.C. 20580

Dear Mike:

This letter is to confirm our conversations regarding the Hart-Scott-Rodino Act implications of the transaction described below. The transaction involves three parties: Z, a natural person; A Co., a corporation; and B Co., also a corporation. In effect, the transaction will combine A and B, install Z as the Chairman and Chief Executive Officer of the combined company, and allocate to an entity controlled by Z a 20% stake in the combined company.

The Parties

Z is a natural person who holds 100% of the outstanding voting securities of ZCoInc., a corporation, through which Z offers advisory services.

A Co. is a corporation not engaged in manufacturing with total assets of more than \$10 million, but less than \$100 million and annual net sales of more than \$100 million. A is its own ultimate parent entity.

B Co. is a corporation not engaged in manufacturing with annual net sales and total assets exceeding \$100 million. More than 50% of the outstanding voting securities of B are held by CLP, a partnership.

Structure of the Transaction

The structure of the transaction is as follows:

1. ZCoInc. forms Holdco, a corporation that will be a wholly-owned subsidiary.
2. Holdco forms NewcoA Sub, a corporation that will be a wholly-owned subsidiary.

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3. Simultaneously

- B merges into Holdco with Holdco as the surviving corporation; B shareholders get Holdco stock.
- A merges into Newco A Sub with Newco A Sub as surviving corporation; A shareholders get Holdco stock.

After these steps, Holdco will be its own ultimate parent entity. The mergers of A and B into first and second tier subsidiaries of ZCofnc., in exchange for Holdco stock, have the effect of diluting ZCofnc.'s interest in Holdco to 20% of the outstanding voting securities.

Premerger Notification Office Analysis

You informed me that the PNO would regard the simultaneous mergers of B into Holdco and A into Newco A Sub as a consolidation transaction. Accordingly, per 16 C.F.R. §801.2, both A Co. and CLP, as the ultimate parent entity of B Co., would be regard as acquiring and acquired persons subject to the HSR Act. If, as I had suggested to you, the fair market value of A Co. is less than \$50 million, the only potential reportable transaction would be the deemed acquisition of B Co. by A Co.

Under this consolidation approach, you would also deem Z, as ultimate parent entity of ZCofnc., to be acquiring a 20% stake in Holdco. That acquisition will not be reportable if Z is not a \$10 million person or if the 20% stake in Holdco is not valued at more than \$50 million.

We also discussed another approach that I raised, namely to view of the transaction as a series of mergers. Under this interpretation, Z could be deemed to control Newco A Sub after the merger of A Co. into Newco A Sub but just before the merger of B Co. into Holdco.¹ In your view, there was no point in taking this interpretation because Z would not control A Co. and would need A Co. to complete and certify the form in any event. The consolidation approach ensures filings from both A and B and therefore was regarded as sufficient.

Please let me know at your earliest convenience if this comports with your recollection of our conversation.

¹ It is possible that Holdco would be its own ultimate parent entity after the A Co. merger into Newco A Sub if the issuance of Holdco shares to A Co. shareholders had the effect of diluting ZCofnc.'s stake in Holdco to below 50%. If so, the HSR analysis would converge with your consolidation approach.

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Thanks again for your considerable help in sorting this out.

Best regards.

Very truly yours



AGARE. N. OVUKA (CONCUAS)

12/14/01

B. Mucha