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May 5, 2004

HAND DELIVERY

Mr. Michael Verne
Compliance Specialist
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
Washington, DC 20580

Re: Incentive Payment to Certain Shareholders Not Treated as Consideration
for Company Assets

Dear Mr. Verne

This is to confirm my telephone conversation with you on March 30, 2004, in which you agreed that a cash payment from a third person to certain shareholders of a target corporate entity would not constitute additional consideration for the purchase by one corporate entity of the assets of the target corporate entity.

FACTS:

Company A intends to acquire assets from Company B (the "Proposed Transaction"). Company A and Company B have some common shareholders, none of which control either company for HSR purposes. However, one group of shareholders of Company B who are members of a single family (the "Related Shareholders") can prevent the sale of the subject assets based on their fifty percent aggregate ownership of Company B.

Company A and Company X have common shareholders who in the aggregate own more than fifty percent of the voting stock in each company. Company X intends to make a cash payment to some of the Related Shareholders to induce them to agree to the sale of Company B's assets. The form of the inducement will be a contract to provide consulting services to Company X. Company X has valid business reasons for making the inducement payment, because Company X believes that the Proposed Transaction will enhance the business of Company X and therefore, will benefit the shareholders of Company X.

A LIMITED LIABILITY PARTNERSHIP

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ANALYSIS AND CONCLUSION:

Company A and Company B are their own ultimate parent entities because no single shareholder holds fifty percent (or more) of the voting stock nor does any single shareholder have a contractual right to appoint fifty percent (or more) of either entities' board of directors. The value of a transaction between Company A and Company B would include the payment of monies to Company B for the subject assets. However, the value of such transaction would not include the cash payment from Company X to the Related Shareholders. This is true because Company A and Company X are separate persons under the HSR rules of practice. Thus, the payment by Company X to the Related Shareholders is not additional consideration for the assets that Company A acquires from Company B.

If you wish to discuss the matter further, please telephone me at [REDACTED] Thank you for your time and consideration in this matter.

Sincerely,

[REDACTED]

AGREE - AS LONG AS THESE ARE BONA FIDE CONSULTING CONTRACTS THEY ARE NOT PART OF THE CONSIDERATION FOR THE ASSETS.

B. Michael [Signature]
5/5/04