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DIRECT DIAL
DIRECT FAX

May 25, 2004

VIA EMAIL TRANSMISSION

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

Dear Mr. Verne:

I would be very appreciative if you or someone in your office could give me a call to discuss the appropriate Hart-Scott-Rodino analysis of a transaction I am working on. I have attached a schematic drawing that I hope will aid in our discussions.

In the proposed transaction, part of H Corp., currently held in an existing sub, will be sold to C in a non-reportable transaction. Moments later, the remainder of H Corp. will combine with L through a reverse triangular merger in which a merger sub of H Corp. will merge into L, with L as the surviving company, in exchange for 54% of the H Corp. stock being paid to the current shareholder of L. (This is the transaction shown in drawing "A." Drawing "B" simply adds that C is a current shareholder of H Corp., but since C is not the ultimate parent of H, I believe this fact is irrelevant to the analysis.)

My questions involve (1) making sure I have identified the acquiring and the acquired parties properly (H files as acquiring L, and Holding Co. files as acquiring H?), and (2) the appropriate way for H Corp. to report its earnings in Item 5 of the Notification and Report Form (should existing sub be included or excluded?). — EXCLUDE SUBS.

Thank you in advance for your assistance in this matter. I may be reached at [redacted]. Please have me paged if I am not in my office, and hopefully we can set up a time to discuss this matter.

- (1) H ACQUIRES 100% OF L.
- (2) BACKSIDE ACQUISITION OF 54% OF H BY HOLDING CO.

APPLY CONTINUUM - ONLY STEP 2 IS



Attorneys at Law



REPORTABLE. N. OVOKA
CONCLUS -

5/26/04

B. Michael Verne

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Sincerely yours,

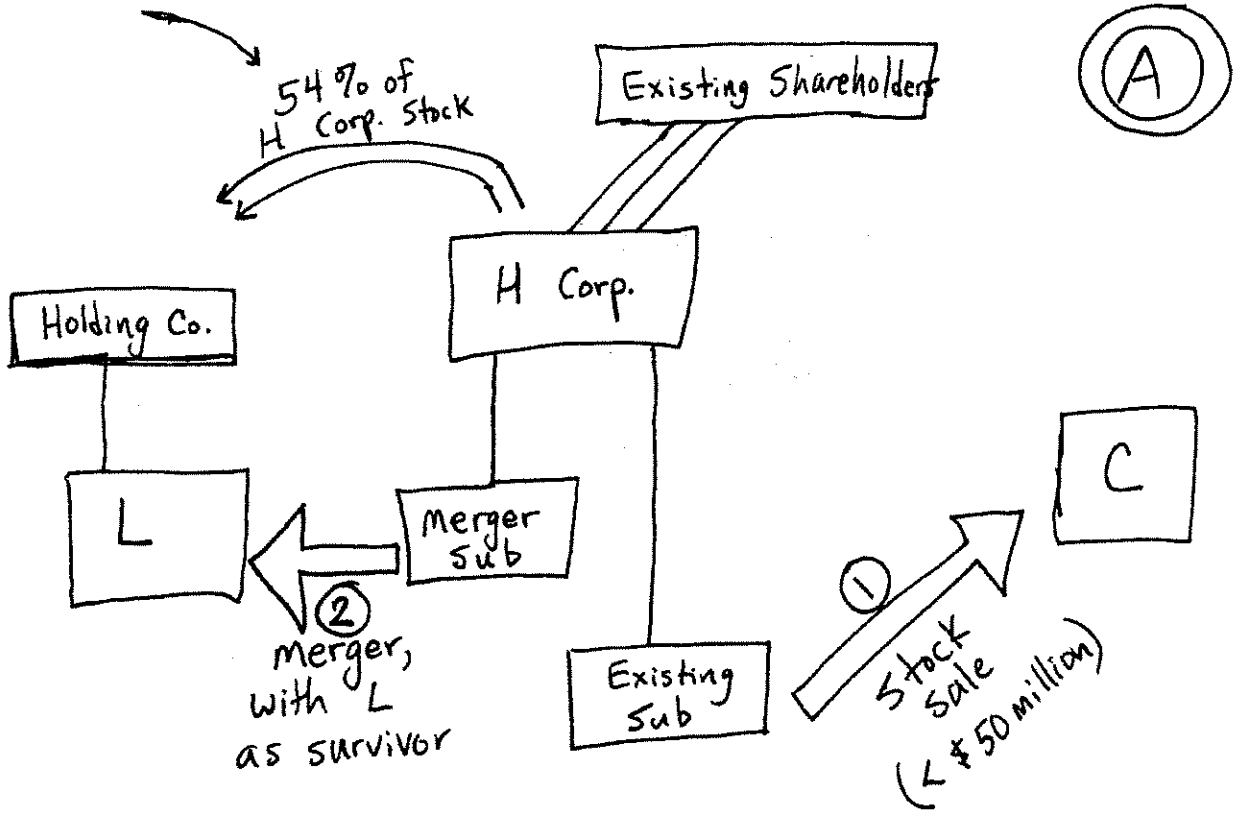
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HHR/mer
Enclosures

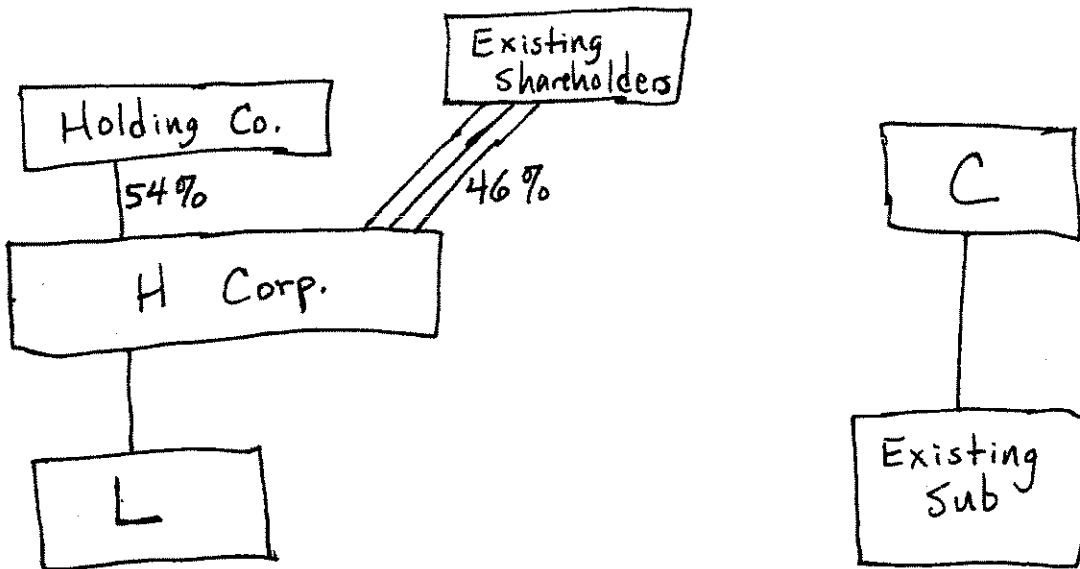
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Value = \$50 million +

BEFORE



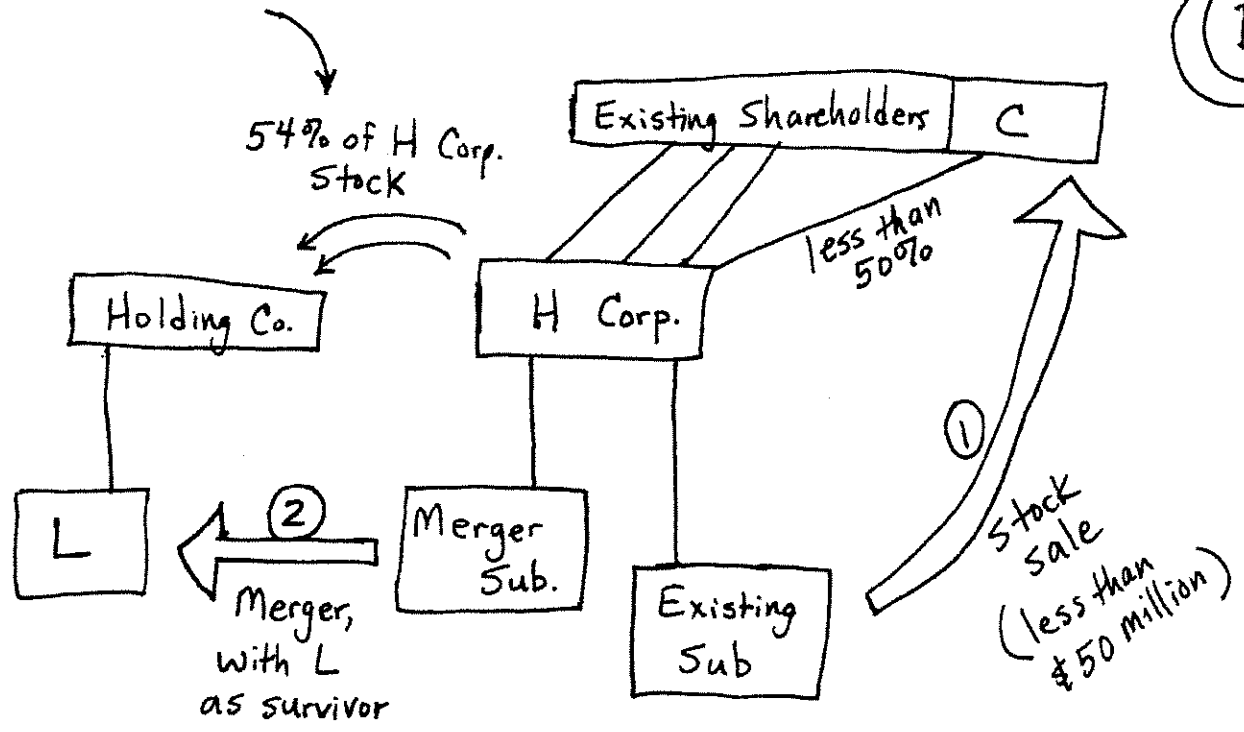
AFTER



(value = more than \$50 million)

(B)

BEFORE



AFTER

