

[Redacted]

7A(c)(10)

[Redacted]

BY FAX

October 20, 2004

B. Michael Verne
Premerger Notification Office
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, DC 20580

Dear Mr. Verne:

This letter will confirm our telephone discussion of October 12, 2004. The issue I raised with you concerns the application of Section 7(A)(c)(10) of the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), to an initial public offering ("IPO"), where all current shareholders will have their per centum holdings of the company ("the Issuer") reduced but in which certain of the existing shareholders will also acquire shares of the Issuer as a result of related transactions undertaken in connection with the IPO. The acquisition of such additional shares by these certain current shareholders will not result in an increase in their per centum share of the outstanding voting securities of the Issuer. However, it will result in their per centum reduction of share holdings in the Issuer being somewhat less than the per centum reduction experienced by the remaining current shareholders. Nonetheless, the acquisition of shares by this group of current shareholders in connection with the IPO will not result in their increasing, directly or indirectly, their per centum share of the outstanding voting securities of the Issuer.

As I described the relevant transactions hypothetically during our discussion, a privately held company is currently contemplating an IPO that would dilute the per centum stock holdings of each of its existing shareholders (the Issuer is its own Ultimate Parent Entity). Integral to the IPO are agreements between the Issuer and two separate LLCs (entities not within the Issuer) whose interests are held (in different proportions) by certain of the current shareholders of the Issuer. The asset of one LLC consists of an office building. The assets of the second LLC consist of airplanes used by the Issuer. As a cross-condition of the IPO, the LLCs will be dissolved, the assets of the LLCs will be acquired by the Issuer and the holders of the LLC interests will receive shares of the Issuer in exchange for their interests in the LLCs. The total fair market value of each of the LLCs is substantially less than \$10 million. The group of current shareholders will exchange their LLC interests for a modest number of additional shares of the Issuer as part of the IPO. No shareholder will increase his or her per centum share of the

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outstanding voting securities of the Issuer as a result of the contemplated transactions. You agreed that in such circumstances Section 7A(c)(10) of the HSR Act would exempt the acquisition of voting securities of the Issuer by its current shareholders in these transactions.

We recognize that, separately, the acquisition by the Issuer of all of the interests (or the underlying assets) of the two LLCs are potentially reportable acquisitions of assets by the Issuer, assuming an otherwise reportable transaction (i.e., the size-of-person and size-of-transaction tests are met and no exemption applies).

If you have any questions please do not hesitate to contact me at [REDACTED]. Thank you for your assistance.

Very truly yours,

[REDACTED]

AGREE
B. Michael Verne
10/20/04