

## BY HAND

Patrick Sharpe, Esquire Federal Trade Commission Premerger Notification Office Seventh and Pennsylvania Avenue Room: 303 Washington, D.C. 20580

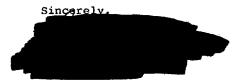
Dear Mr. Sharpe:

This is confirm our conversation on Friday, April 10, 3992 that the following transaction is exempt from filing an Antidaust Improvements Act Notification and Report Form: Company A wishes to acquire 100% of the stock of Company B for \$7 million. The ultimate parent entity of Company A has sales or assets in excess of \$100 million and the ultimate parent entity of Company B has sales or assets in excess of \$10 million, thereby, meeting the size-of-person test of 15 U.S.C. § 18a. As a result of the acquisition, Company A would hold 100% of the voting securities of Company B, thus, satisfying the 15% test of 15 U.S.C. § 18a(a)(3)(A). After the acquisition, Company A would not hold voting securities and assets in excess of \$15 million as the acquisition price is \$7 million; thus, the transaction does not come within §18a(a)(3)(B). Because the acquisition is within subpart (A), but not subpart (B), of 15 U.S.C. §18a(a)(3)(A), and Sales and because it meets the other requirements of 16 C.F.R. § 802.20(b); 49545474 the transaction is exempt from reporting. Section 802.20(b) 1895 thus exempts an acquisition of less than \$15 million of assets and \$25000 stock where the acquiring party as a result of the acquisition will not hold "voting securities which confer control of an issuer which, together with all entities it controls, has annual net sales or total assets of \$25 million or more." In the instant matter, Company B (the issuer) has annual net sales of \$13 million and total assets of \$5 million. It controls no other sales or assets. Since Company A, as a result of the acquisition, will hold assets and stock of less than \$15 million and since Company B does not control sales or assets in excess of \$25 million, the transaction is exempt from filing under § 802.20(b).

Patrick Sharpe, Esq. April 15, 1992 Page 2

Would you please advise me promptly if you disagree with the above conclusion that the transaction is exempt from reporting.

Thank you for your assistance.



To company & a manufacturing or service company?

Service oriented - No monufacturing.

To company Bits own UPE? yes

Company B does not meet the size-of-ferson

Test because the test for this scenario

applies to assets only. You need not get

to the exemptions.

