

Trial balance sheet with errors is not a
 regularly prepared balance sheet
 but is in the process of being prepared.
 Once prepared without errors & if prepared
 on a monthly basis it becomes the last
 regularly prepared balance sheet & supplant

801.11
 VC(C)

February 12, 1993

VIA FACSIMILE

Mr. Vic Cohen
 Pre-Merger Notification Office
 H-303
 Federal Trade Commission
 Washington, D.C. 20580

the previously issued 10-Q of
 an earlier debt;

Re: Application of Hart-Scott-Rodino Act

Dear Mr. Cohen:

This letter follows our recent conversation with respect to the possible application of the Hart-Scott-Rodino Antitrust Improvement Act of 1976 (the "Act") to a proposed merger of Merger Company, a wholly-owned, newly formed subsidiary of Parent Company, a publicly traded corporation, with Target Company, a privately held corporation. The Act requires parties intending to merge or make acquisitions of voting securities or assets to provide the Federal Trade Commission ("FTC") and the Antitrust Division of the Department of Justice with information regarding their operations and the proposed transactions if the parties and the proposed transactions satisfy certain minimal jurisdictional thresholds. The purpose of our telephone conversation was to determine the appropriate financial statements of the Parent Company for purposes determining whether these thresholds have been met.

The unaudited financial statements of Target Company for the year ended December 31, 1992 reflect total operating revenues in excess of \$100,000,000 and total assets in excess of \$25,000,000. We are advised that this is the most recent regularly prepared financial statement available for Target Company.

With respect to the most recent regularly prepared financial statements for Parent Company and its subsidiaries, we have examined Parent Company's Securities and Exchange Commission ("SEC") quarterly report on Form 10-Q for the quarterly period ended October 31, 1992 which reflects total assets of less than \$10,000,000. We have been informed by Parent Company's management that Parent Company does not now, and has not in the past,

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regularly prepared monthly financial statements. Parent Company's only regularly prepared financial statements are its quarterly financial statements as filed with the SEC. Parent Company is in the process of implementing a new computer-assisted accounting system which is not, as yet, fully functional but which will allow the Company to prepare monthly financial statements. Parent Company's internal accounting staff prepared a trial balance sheet for the period ended November 30, 1992, which contained a number of inaccuracies and has not been circulated to the Board of Directors or the officers of the Company. No other financial statements subsequent to the October 31, 1992 quarterly financial statements have been prepared.

Based on the facts presented, you advised in our telephone conversation that the relevant financial statements for purposes of a determination of the size of the Parent Company under the Act are its financial statements for the quarter ended October 31, 1992. We request that you confirm to us that our understanding of your position is correct based upon the facts we have presented.

Thank you for your assistance. Should you have any questions with respect to this matter, please let me know.

Very truly yours,
[REDACTED]