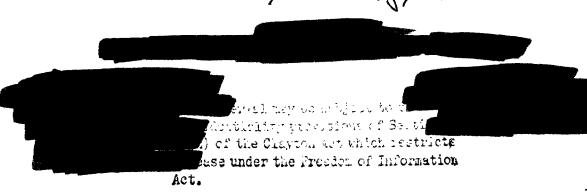
801.40; 801.1 (8)(1)



June 13, 1994

Richard Smith, Esq.
Pre-Merger Notification Office
Bureau of Competition
Room 303 Federal Trade Commission
Washington, D.C. 20580

Re: Acquisition of Partnership Interest

Dear Mr. Smith:

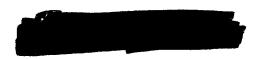
I am writing to follow up on the various telephone conversations we have had regarding the above-referenced subject, and particularly our discussion of today, June 13.

We represent a person involved in a transaction which, if consummated, will be structured as follows:

The stockholders of Corporation A will form a new company, Corporation B. They will contribute cash to Corporation B, and receive shares in the same proportions as they own shares of Corporation A. In other words, Corporation A and Corporation B will be held by the same people, in the same percentages. The formation of B will not be a reportable event.

A and B will then form Partnership. B will contribute a not insignificant amount of cash, and receive a 1% interest in Partnership. Corporation A will contribute its entire business -- fixed assets, intangibles, liabilities, goodwill, etc. -- and receive a 99% interest in Partnership. The contributions of A and B will be roughly proportionate to the interests in Partnership they acquire. At this point in time the 99% interest in Partnership will be A's sole asset. Similarly, the 1% interest will be B's sole asset.

Immediately after Partnership is formed and funded, Corporation X will acquire a 50% interest in Partnership from A (leaving A with 49%) and a 1% interest in Partnership



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from B (leaving B with nothing). Corporation X will then own a 51% interest in Partnership, and will have effective control of Partnership's assets. Corporation B will be dissolved.

All of these events will occur at a single closing. Conceptually they will occur seriatim, but for all practical purposes they will take place simultaneously.

It is our understanding that the above-described transaction is not reportable under the Hart-Scott-Rodino Antitrust Improvements Act, even though it meets the size-of-the-parties and size-of-the-transaction tests of the Act. We understand that the formation of a bona fide partnership is never a reportable transaction. We also understand that, in the view of the Pre-Merger Notification Office, acquisition of a bona fide partnership interest of less than 100% is neither an acquisition of voting securities nor an acquisition of assets, for purposes of pre-merger notification requirements, and thus is not reportable. Finally, we understand that, if at some time in the future Corporation X acts to acquire 100% of Partnership, the acquisition which takes Corporation X to 100% ownership will be reportable.

I would appreciate receiving your informal opinion as to whether, based on the facts as set forth in this letter, our understanding is correct. I appreciate your cooperation, and I look forward to hearing from you.

