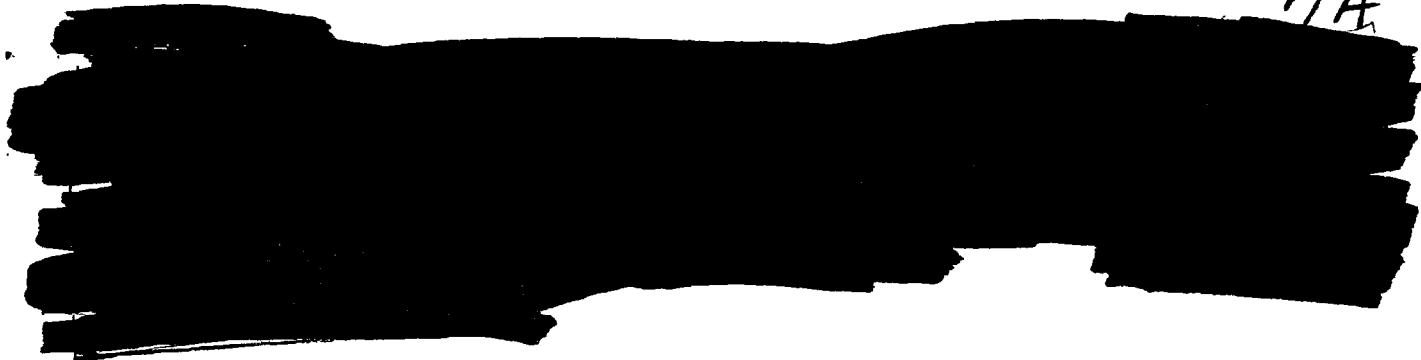


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April 3, 1995

This material may be subject to the confidentiality provisions of Section 7A(2) of the Exchange Act which prohibits release under the Freedom of Information Act.

Mr. Hy Rubenstein
Federal Trade Commission
Premerger Notification Office
Room 303
6th and Pennsylvania Avenue N.W.
Washington, D.C. 20580


Dear Hy:

This letter is to confirm our discussion last Wednesday and to solicit additional comments if necessary.

As we discussed last Wednesday, we represent a cooperative association (the "Acquiror") which proposes to acquire the assets of another cooperative (the "Target") in a reverse triangular merger pursuant to applicable state law. As part of this transaction, the Acquiror will form a new corporation ("Newco"), which will be a wholly-owned subsidiary of the Acquiror. At the effective time of the acquisition, Newco will acquire all of the assets of the Target in exchange for the assumption of approximately \$8 million of the Target's liabilities and the issuance by the Acquiror of non-voting capital equity certificates having a face value of approximately \$4.5 million. Prior to the effective time of the acquisition, the Target will redeem and cancel the voting common stock (together with other non-voting preferred stock) at the aggregate par value of approximately \$575,000. The Target's assets, excluding cash (as permitted by 16 CFR §801.21), will be less than \$15 million at the time of the acquisition.

Based on the foregoing facts, we asked if the transaction is an acquisition of assets, rather than an acquisition of voting securities, since the former does not meet the "size of transaction" test set forth in 15 U.S.C. §18a. Given our discussion, neither party presently intends to file unless the transaction were to require filing as an acquisition of voting securities.

We note parenthetically, that to be entitled to membership in the Target, a person must: (a) be a producer, (b) patronize the cooperative, and (c) buy at least one share of common stock in the cooperative at par value. Each member of the Target is entitled to one vote regardless of how many shares the member holds. Prior to the effective time of the acquisition, the Target will redeem and cancel the common stock (together with other non-voting preferred stock) at the



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aggregate par value of approximately \$575,000. To become a member of the Acquiror, and thus entitled to vote, former members of the Target will have to patronize the Acquiror and also sign a consent to receive patronage refunds and include such refunds in their federal tax returns.

In our telephone conversation last Wednesday, we understood you to be in agreement with the analysis that this is an asset acquisition. However, if our understanding on this or any other point is incorrect, we would appreciate your views as soon as possible. If you have any questions, or require any additional information, please call us. We appreciate the opportunity to have discussed this with you, as well as your further advice.

Sincerely yours,

