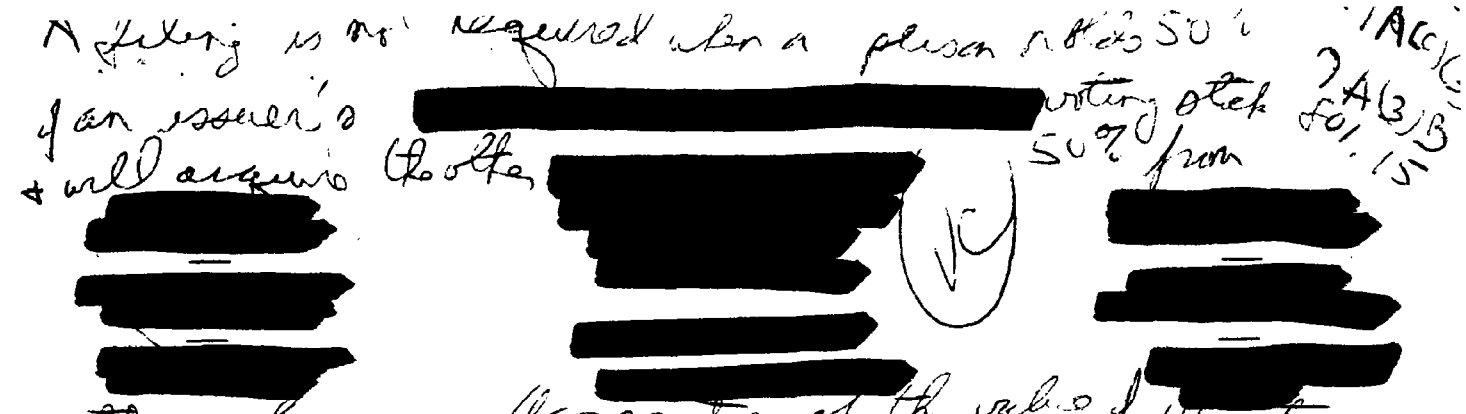

April 18, 1995

Victor L. Cohen, Esq.
Federal Trade Commission
Premerger Notification Office
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Mr. Cohen:

The purpose of this letter is to confirm the details of our telephone conversations of April 11 and 13, 1995, concerning the application of Section 7A(c)(3) of the Hart-Scott-Rodino Act (the "HSR Act"), 15 U.S.C. § 18a(c)(3), and Rule 801.14 of the Federal Trade Commission's Rules accompanying the HSR Act, 16 C.F.R. § 801.14.

The facts I described to you were as follows: A and B are corporations and are separate persons within the meaning of the HSR Act. A and B currently jointly own C, another corporation. A's and B's ownership of the voting securities of C is divided evenly, with A holding 50% and B holding 50%. Finally, A and B also currently jointly own D, a partnership. A holds approximately 25% of the partnership interest of D, while B holds the remaining 75%. B is the ultimate parent entity of D.

A now wishes to acquire B's interests in both C and D. The total acquisition price for B's interests in C and D will be slightly in excess of $15 million. The total value of 100% of the partnership interest in D is approximately $3 million.

You informed me that no filing would be required in this situation for the following reasons. With respect to A's acquisition of B's 50% interest in C, the acquisition is exempt pursuant to Section 7A(c)(3) of the HSR Act because A currently owns "at least 50 per centum of the voting securities [of C] . . . prior to such acquisition." 15 U.S.C. § 18(a)(c)(3). To the extent that Interpretation

28 of the ABA's Premerger Notification Practice Manual (1991) suggests a different result, it is incorrect.

With respect to A's acquisition of B's 75% partnership interest in D, this will be treated as an acquisition by A of the assets of the partnership. Focusing on that asset acquisition only, no filing would be required because the total value of the assets that will be held as a result of the acquisition will be less than $15 million. See 16 C.F.R. § 802.20(a).

Finally, we discussed whether, notwithstanding the fact that A's acquisition of B's interest in C is exempt pursuant to Section 7A(c)(3) of the HSR Act, A would nonetheless be required to aggregate the value of the voting securities of C with the value of the assets of D (the partnership) for the purposes of the size-of-transaction test set forth in Section 7A(a)(3)(B) of the Act.

You informed me that aggregation would not be required. Because A already holds 50% of the voting securities of C, C is already within the person A. Thus, in applying Rule 801.14 of the HSR rules (which defines the mechanism for aggregating the value of voting securities and assets for the purposes of Section 7A(a)(3)(B) of the HSR Act), A is not, within the meaning of Rule 801.14, acquiring any voting securities of the acquired person, B. Instead, C is already an entity included within A. Thus, Rule 801.14 does not require that A aggregate the value of the voting securities of C with the value of the assets of D. As described earlier, because the total assets of D are valued at approximately $3 million, no filing would be required for their acquisition.

On the basis of our discussions, we intend to advise our client accordingly. If this letter does not accurately reflect your advice to me, I would be grateful if you would contact me. As always, thank you for your assistance.

Sincerely,

[redacted]