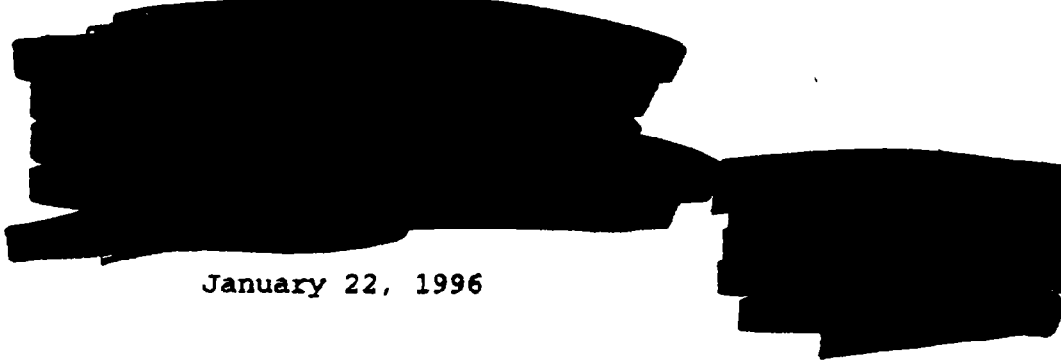


801.30 ; 801.11





January 22, 1996







**VIA TELECOPIER**



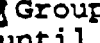




Mr. Richard Smith  
Premerger Notification Office  
Bureau of Competition  
Federal Trade Commission  
Sixth Street and Pennsylvania Avenue, N.W.  
Washington, D.C. 20580


Re:  Group, L.L.C.

Dear Mr. Smith:

The purpose of this letter is to provide you with certain additional information relating to  Group, L.L.C. (" Group") requested by you during our telephone conversation on January 19, 1996.

It is currently expected that  Group will be formed prior to February 14, 1996. At formation it is expected that  Group will have approximately eleven Executive Sponsors and approximately four Participating Sponsors. Each Executive Sponsor and Participating Sponsor will have an equivalent membership interest in  Group; however, each of the Executive Sponsors will be entitled to one representative on the Oversight Board while the four Participating Sponsors collectively will be entitled to representation by a single member of the Oversight Board. Each Executive Sponsor and Participating Sponsor will contribute \$1.00 in cash to  Group. Accordingly, no Executive Sponsor or Participating Sponsor will acquire a membership interest representing 15% of the equity of  Group or having a value of \$15,000,000 nor will  Group have total assets or annual net sales in an amount equal to \$10 million. -

The timing of the acquisitions of   by  Group has not been determined, but neither is expected to occur until at least two weeks subsequent to the formation of  Group.  had total assets of approximately \$20 million at its most recent balance sheet date and annual net sales of approximately \$42 million in fiscal 1995.  had total assets of approximately \$11 million at its most recent balance sheet date and annual net sales of approximately \$15 million in fiscal 1995. Accordingly,  ✓



Mr. Richard Smith  
January 22, 1996  
Page 2

regardless of which acquisition occurs first, no party to either acquisition transaction will have \$100 million in total assets or annual net sales.

Based on these facts, I believe that the initial formation of [redacted] Group and the subsequent acquisitions of [redacted] are exempt from the notification and reporting requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

I would appreciate if you would either call me at [redacted] to confirm your agreement with our analysis, based on these facts.

I very much appreciate your attention to this matter. I would be happy to provide to you any additional information that you may need in order to complete your analysis.

Best regards.

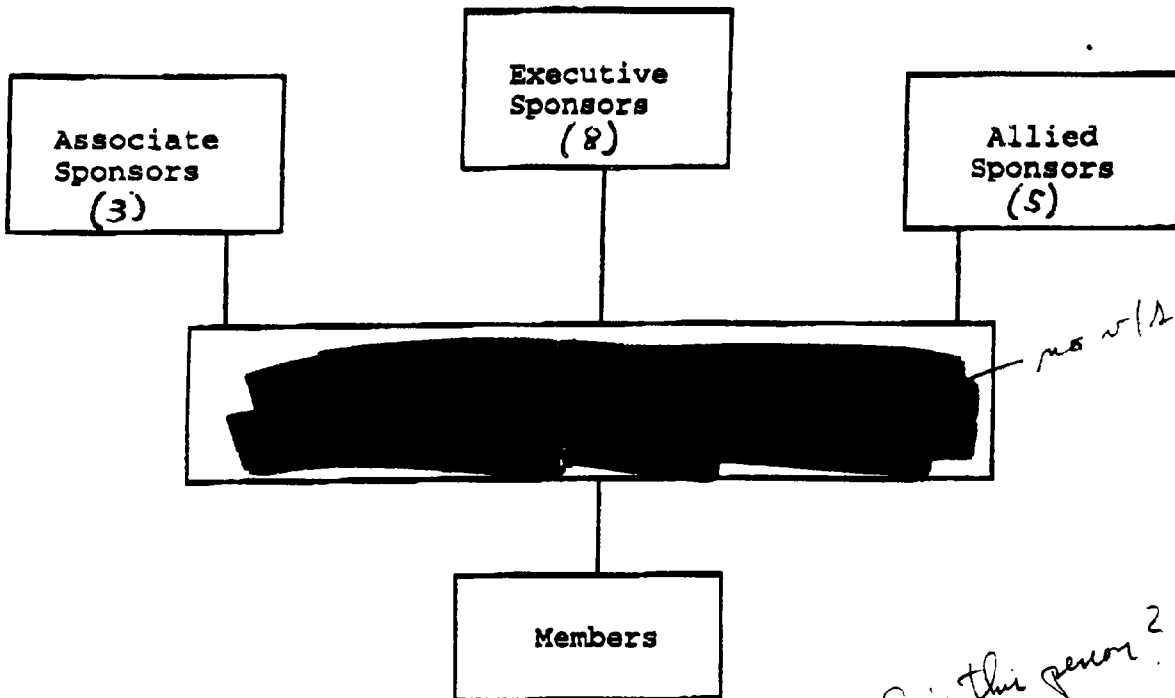
[redacted]

cc [redacted]

1/24/96 Called MM. She confirmed that LLC will be formed (in a non-reportable event) before two acquisitions take place. Transaction structured this way because of non-profit and U.K. status of two companies to be acquired. No consideration will be paid for the two companies. This spans on pg. 1 include all entities they control and combined with small size of Open Group there will be no 100M person in either of the two acquisitions. I agreed that formation of LLC and its subsequent acquisitions were not HSR reportable.

RBSmith

**STRUCTURE**



*Who is this person?*

**Notes:**

1. Each Executive Sponsor appoints a member of the [REDACTED] Board of Directors. Only Executive Sponsor Directors have the right to vote on corporate governance matters (e.g., charter and by-law amendments).

2. Allied Sponsors voting as a class nominate one member of the [REDACTED] Board for each five Allied Sponsors (for election by Executive Sponsor Directors); currently, there are five Allied Sponsors and one Allied Sponsor Director.

3. Associate Sponsors voting as a class nominate one member of the [REDACTED] Board (for election by Executive Sponsor Directors), but are not entitled to do so if there are fewer than five Associate Sponsors (which is currently the case).

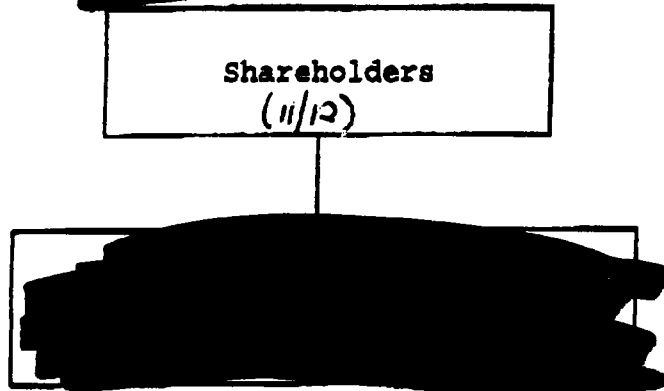
4. Members have no voting rights, except that members elect [REDACTED] Advisory Committees which, in turn, nominate At-Large members of the [REDACTED] Board (for election by Executive Sponsor Directors) representing interests of specified communities (e.g.,

independen [redacted] etc.). Currently,  
one At-Large [redacted] representing the [redacted] community is  
serving on the [redacted] Board.

5. The President of [redacted] is an ex officio member of the [redacted]  
Board.

[redacted]

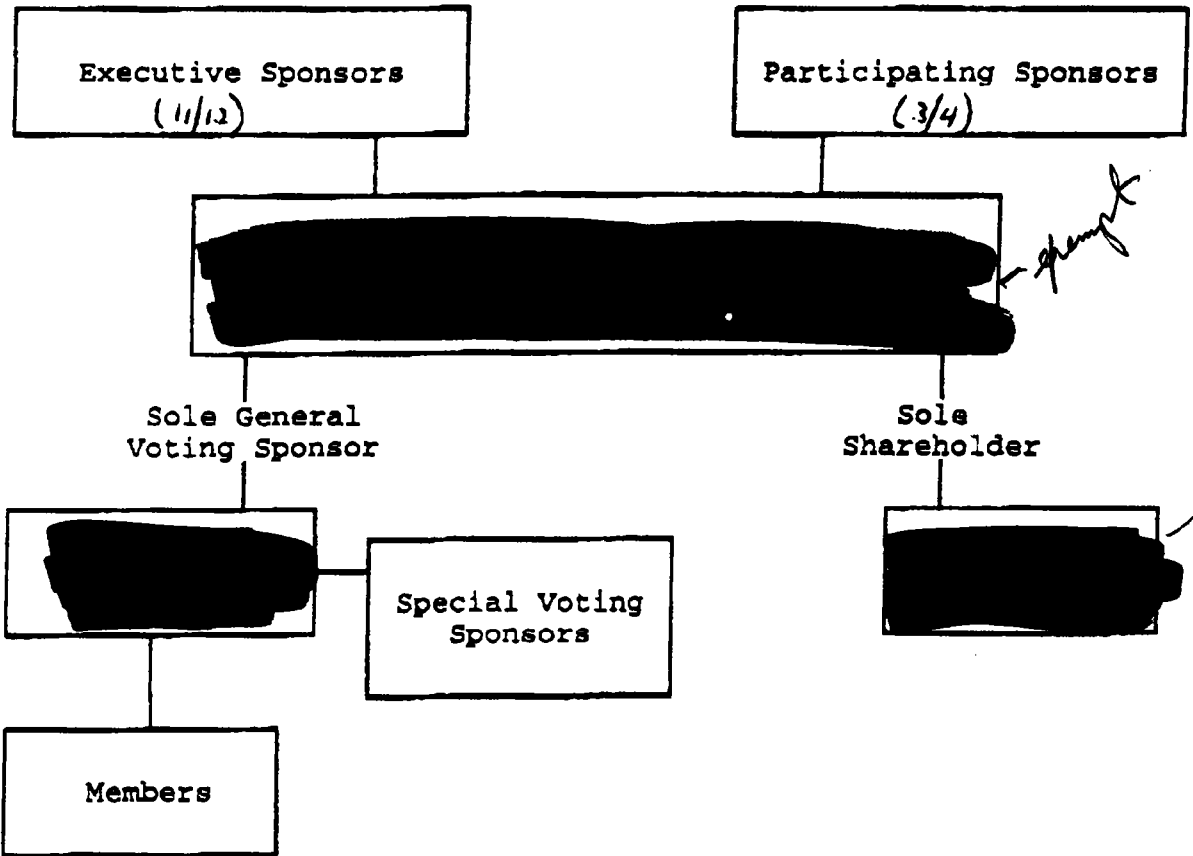
[REDACTED] STRUCTURE



Notes:

1. Each [REDACTED] Shareholder appoints a member of the [REDACTED] Board of Directors.
2. Also serving on [REDACTED] Board of Directors are two Directors representing the [REDACTED] community and one Director representing the [REDACTED] community.

[REDACTED] GROUP STRUCTURE



Notes:

1. [REDACTED] Group is to be a newly formed [REDACTED] limited liability company.
2. All of the initial members of [REDACTED] Group (classified into "Executive Sponsors" and "Participating Sponsors") will be current [REDACTED] Sponsors or [REDACTED] shareholders.
3. [REDACTED] Group will be governed by its Oversight Board, composed of one representative of each Executive Sponsor, one representative for all Participating Sponsors, and representatives of the various communities (who, at least initially, will be the current [REDACTED] and the current At-Large Director of [REDACTED]).
4. [REDACTED] Group will become the sole member of [REDACTED] with general voting powers; all other [REDACTED] sponsors will resign, except four

20

who represents?

current [redacted] Executive Sponsors who will remain as Special Voting Sponsors with voting powers limited to certain very restricted matters, for historic reasons. Members of [redacted] that are not sponsors will remain as such, but will no longer have the right to nominate At-Large Directors of [redacted]

5. [redacted] Group will become the sole shareholder of [redacted] and, as such, elect all members of the [redacted] Board of Directors.

---