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FEDERAL TRADE
COMMISSION
PREMERGER NOTIFICATION
OFFICE

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August 9, 1996

Richard B. Smith, Esq.
Premerger Notification Office
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Mr. Smith:

Thank you for returning my call so promptly this morning. This will confirm our conversation concerning control of a corporation under the Hart-Scott-Rodino Act.

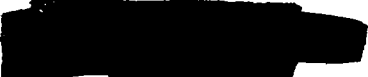
The fact situation I described is a corporation with three stockholders holding all of the voting securities. Stockholders X and Y each hold an equal number of shares, which is the vast majority of the outstanding voting securities of the corporation. X and Y are not husband and wife and do not have any other similar relationship. The third shareholder, Z, has the remaining voting securities. Therefore, neither X nor Y has 50 percent of the outstanding voting securities of the corporation.

There are five members of the corporate board of directors. Under the corporate bylaws, X designates two directors and Y designates two directors. The fifth director is the Chief Executive Officer of the corporation. The Chief Executive Officer is nominated jointly by the two directors designated by X and the two directors designated by Y, but neither the directors designated by X alone nor the directors designated by Y alone have the absolute power to nominate the fifth director.

You stated that since neither X nor Y has the absolute power to appoint the fifth director, neither X nor Y would be considered as controlling the corporation. Such control would exist only if one or the other has the absolute

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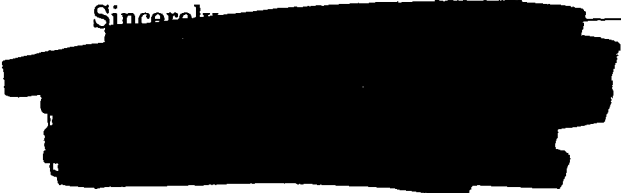
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power to appoint the fifth director. That is not the case in this situation since both the directors designated by X and the directors designated by Y must jointly nominate the fifth director.

If my understanding of our conversation is mistaken, please give me a call. Again, thank you for your prompt return of my phone call and for your assistance in this matter.

Sincerely,


8/12/96 - Writer confirmed that the fifth director, nominated by the two directors appointed by X and the two appointed by Y, must then be elected to the board by the vote of X, Y and Z. I agreed with conclusion.

R. B. Smith