

802.31



December 6, 1996

VIA FACSIMILE (202) 326-2624
AND REGULAR MAIL

Patrick Sharpe
Premerger Notification Office, H-303
Federal Trade Commission
Washington, DC 20580

DEC 11 2 00 PM '96

Re: Hart-Scott-Rodino Antitrust Improvement Act of 1976 (the "Act")

Dear Mr. Sharpe:

Thank you for taking the time to talk to me and [redacted] this week concerning whether a certain proposed transaction would require that the parties thereto make a filing under the Act. As we discussed, the subject transaction involves an equity investment in the form of non-voting convertible securities. These securities are convertible to voting securities only upon the occurrence upon certain events, and the holders of such securities have the right to elect two (2) directors of a seven (7) member board of directors of the issuing company.

Based upon the foregoing facts you agreed with our analysis that such securities are not "voting securities" under the Act because holders of voting securities of the company (and holders of non-voting convertible securities upon their conversion to voting securities) have the right to vote on the remaining five (5) members of the board of directors. Accordingly, the contemplated acquisition of such non-voting convertible securities shall be exempt from the requirements of the Act, pursuant to §802.31 of the Act.

If I misunderstood our conversation or if any of this is incorrect, please call me at the above number or [redacted] at your earliest convenience. Again, thank you very much for your assistance.

see Letter #62 for the formula used in #94. Does the underlying v/s (of the preferred stock) enable the holder of securities to vote for exactly two directors (the same number it can currently appoint)?
No - they do not correlate. Then this is not a v/s.
called [redacted] 12/10/96
RSL-concurs

[REDACTED]

Patrick Sharpe
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Sincerely,

[REDACTED]

[REDACTED]