

801.1(c)

September 2, 1999

Via Facsimile

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

Dear Dick:

This will confirm our telephone conversation today regarding the transaction posed in my letter dated September 1, 1999. Tax considerations are the driving factors underlying the somewhat circuitous structure of the transaction.

Thank you for your cooperation and assistance.

Very truly yours,

9/2/99 - Proposal in 9/1/99 letter discussed by MB, HV and RBL. Agreed to make repurchase of C by A non-reportable since we have already reviewed A's purchase of B (which included C) and D's paper purchase of B (which includes C). Since A repurchasing C will happen immediately upon D's purchase of B, we agreed on basis of all these facts that A will not need to file for repurchase of C. MB's said decision based on adequate explanation of why deal was structured this way. The 9/2 letter provides the reasons (Basis for call is "continuum theory" with a reasonable extension for parent factors.)
R.B. Smith