

January 11, 1983

Marianne Dunaitis, Esquire
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
Room 303
Washington, D.C. 20580

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PREMERGER
NOTIFICATION
OFFICE

Re: Request for Informal Interpretation under the
Hart-Scott-Rodino Act Antitrust Improvements Act

Dear Ms. Dunaitis:

I am writing as a follow-up to my letter of December 20, 1982, and to confirm our telephone conversation of January 7, 1983.

By way of clarification of my letter of December 20, 1982, the class Z preferred owned by Company A is entitled to elect five of the nine directors of Company B. In addition to its ownership of 100% of the class Z preferred of Company B, Company A also owns approximately 20% of the outstanding common stock of Company B, which is entitled to elect four of the nine directors of Company B. As a result, under the formula to which you referred in our telephone conversation, the total combined voting power of Company A with respect to Company B would be computed as follows:

1.

$$\frac{260,000 \text{ class Z shares held by Company A}}{260,000 \text{ total class Z shares Outstanding}} \times \frac{5 \text{ total number of directors elected by class Z}}{9 \text{ total number of directors of Company B}} = 55.55\%$$

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2.

$$\frac{20\% \text{ of total common stock held by Company A}}{100\% \text{ of total common Shares outstanding}} \times \frac{4}{9} \frac{\text{total number of directors elected by common}}{\text{total number of directors of Company B}} = 8.89\%$$

3.

Total voting power of Company A
with respect to election of directors of Company B = Approximately 64.4%

Accordingly, inasmuch as Company A is already in control of Company B as a result of its existing holdings of class Z preferred stock of Company B, Company A will not be required to file under the Hart-Scott-Rodino Antitrust Improvements Act in the event it makes additional open market purchases of common stock of Company B.

I very much appreciate your assistance in this matter. If I can provide you with any further required information, please do not hesitate to call or write.