



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office

BUREAU OF COMPETITION
DIRECTOR

Debra J. Pearlstein, Esquire
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153-0119

Re: In the Matter of Cooperative Computing, Inc.
FTC Docket No. C-3757
File No. 981-0057

Dear Ms. Pearlstein:

This letter is to inform you of our conclusions with respect to the actions of your client, Cooperative Computing, Inc. ("CCI"). The staff of the Commission has investigated whether CCI violated the Commission's Order in Docket No. C-3757. On the basis of this investigation and pursuant to authority delegated to the Bureau Director by the Commission, 49 Fed. Reg. 6171 (1984), the investigation has been closed.

The Order in this matter, which was issued on June 20, 1997, required CCI to transfer to MacDonald Computing Systems ("MCS") its electronic database for automotive replacement parts, the computer software used to update that database and the software needed to access the database that is used by businesses that sell automotive parts. CCI was also required to provide MCS with updates to the database that were no less current than those it supplied to any of its customers for a period of time. In response to concerns that CCI might not have effectively transferred these assets to MCS, the Bureau initiated an investigation of CCI's compliance with the Order.

As staff conducted its investigation, CCI and MCS signed an Independent Auditor Agreement on July 16, 1998. This agreement established procedures, which were not required by the Order but were modeled on similar provisions in other Commission orders, for facilitating and verifying the technology and data transfers to MCS. Pursuant to this agreement, CCI agreed to pay for an Auditor, someone with computer expertise and business experience related to technology transfers, to monitor the transfer of computer programs and data and to report to the Commission. Both companies agreed to give the Auditor full access to their operations. The Auditor's involvement in the process appears to have given the companies a sufficient basis for resolving the technology and data transfer problems.

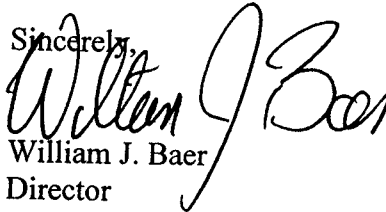
On the assumption that the information CCI has provided is accurate and complete, the Bureau has determined not to recommend that the Commission take any further action and has

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closed this investigation pursuant to the authority delegated by the Commission. This action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Baer". The signature is fluid and cursive, with the first name "William" being the most prominent.

William J. Baer
Director

c: Olivia Goodkin, Esquire
Counsel to MacDonald Computer Systems
Rutter, Hobbs & Davidoff
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