

801.10

[REDACTED]

VIA FACSIMILE

March 21, 2000

Mr. Mike Vena
Premerger Notification Office
Federal Trade Commission
Washington, D.C.

Re: Compliance with Hart-Scott-Rodino Antitrust Improvements Act (the "Act")

Dear Mike:

The purpose of this letter is to confirm the oral advice you gave me on behalf of the Premerger Notification Office regarding application of the Act to a particular situation. Our client, Company A, proposes (i) to purchase from Company B certain intellectual property, related inventory, trade names, services marks and like assets, (ii) to license certain intellectual property and (iii) to assume certain limited contractual obligations of Company B. Company A and Company B will satisfy the size of person test under the Act.

Company A's license of intellectual property will be an exclusive, irrevocable, world-wide and fully-paid license to such intellectual property for certain enumerated uses. Company B will retain rights in the licensed intellectual property for all other uses, and Company A will grant to Company B an exclusive, irrevocable, world-wide and fully-paid license to the purchased intellectual property for use in relation to other products and services.

In our telephone conversation, you confirmed that, despite the fact that Company B will retain rights in the licensed intellectual property, the license of the intellectual property will nonetheless be viewed as an asset acquisition subject to the Act's jurisdictional tests. The total consideration being paid by Company A to Company B for the licenses and related purchased assets is \$15 million. Company A will not assume any debts, liabilities or obligations of Company B, other than certain existing rights and obligations under executory contracts, which are not reflected on the balance sheet of Company B and for which no premium is being paid. Among other liabilities, Company B will retain all installation and warranty obligations and will either discharge those obligations itself or will sub-contract out those obligations to Company A on a market rate basis.

EXCLUSIVE AS TO LIMITED FIELD OF USE

NO DEBTS AND OTHER ASSUMED
NO PREMIUM PAID TO STEP INTO CONTRACT

Synergy \$15 million

Mr. Mike Verne
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After considering the foregoing facts, you advised me that the Premerger Notification Office will not place a value on any of the "assumed" contractual obligations and that the parties can consider the "acquisition price" to be \$15 million. Thus, assuming that the board of directors of the ultimate parent entity of Company A or its designee determines in good faith that the fair market value of the assets being acquired does not exceed \$15 million, Company A and Company B may proceed without filing under the Act.

Please telephone me at [REDACTED] if you do not agree with my restatement of our conversation.

Very truly yours
[REDACTED]

AGREE -

B. Michael Verne

3/22/00

N. OVUNA CONCURS.