

7A (c)(10)

[REDACTED]

MEMORANDUM

[REDACTED]
April 17, 2000

To: Mike Verne
Federal Trade Commission

Following up on our phone conversation of today, the following is a description of the proposed transaction. Attached is a schematic of the structure, before and after the proposed merger.

A Corp. will merge into Acquisition Corp., with Acquisition Corp. as the surviving entity. The voting securities of B Corp. held by A Corp. shareholders will increase from 65% to 75% as a result of the contribution of C Corp. to Acquisition Corp. in the merger transaction. The percentage of the outstanding voting securities held by the other B Corp. shareholders will decrease proportionately. Notwithstanding the increase in the aggregate percentage of voting securities held by the A Corp. shareholders, such shareholders' influence over B Corp. will actually decrease. For example, a hypothetical group of A Corp. shareholders holding 50% of the voting securities of A Corp. would control A Corp. and, indirectly, B Corp., prior to the merger. Because of dilution, the same shareholders would not control B Corp. following the merger. Some A Corp. shareholders also hold directly a small percentage of the outstanding voting securities of B Corp.

As a result of the transaction, several A Corp. shareholders will hold an aggregate total amount of voting securities of B Corp. in excess of \$15 million. While other exemptions may be available to the A Corp. shareholders under the Act or the rules promulgated thereunder, we would like to discuss with you the applicability of Section 7A(c)(10) and any other exemptions available to the shareholders which result from the exempt nature of the merger itself.

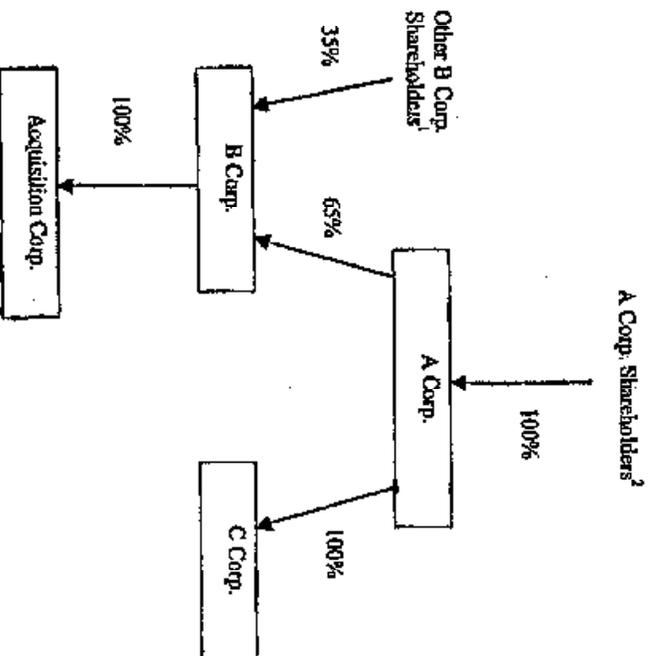
I will await your call to answer any factual questions you might have, as well as to set a time when we can visit with you by phone along with our co-counsel,

[REDACTED]

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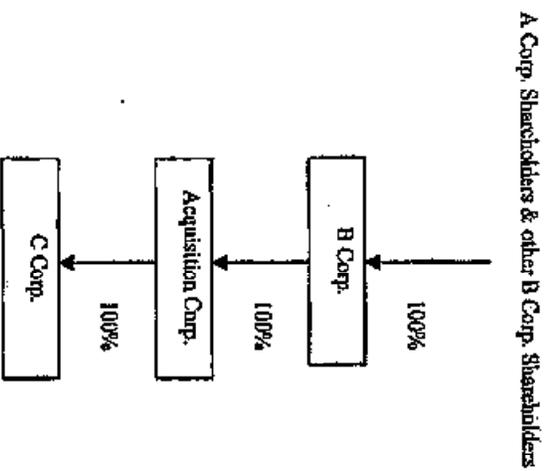
[REDACTED]

CURRENT ORGANIZATIONAL STRUCTURE



- 1 Approximately 100 shareholders, no one of which holds more than 5% of the outstanding voting securities of B Corp.
- 2 24 shareholders, the largest of which, an irrevocable trust, holds approximately 21% of the outstanding voting securities of A Corp.

POST-MERGER



None of the A Corp shareholders would be exempt under (1)(b) as they all electing interests their portion will not what they inventory held in B Corp through trust however in Acorp M. Bando J. T. Hancock Acker, Bvack Uzun 4/10/00