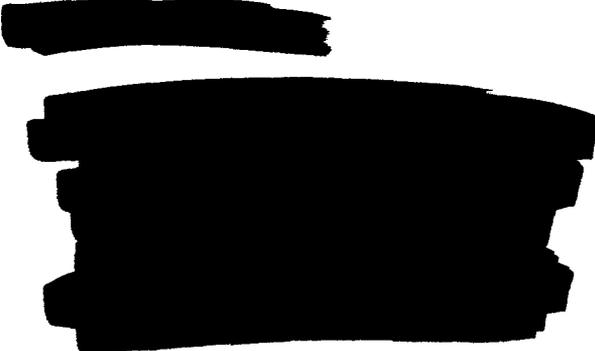


§01.1(c)
802(a)



June 14, 2002

By Fax: 202-326-2624

Patrick Sharp
Federal Trade Commission
Pre-Merger Office
Washington, DC

Dear Patrick:

This will confirm the transaction which I described to you today relating to the use of an escrow in connection with the "Second Merger", which you indicated would be an acceptable way to proceed under the HSR Act.

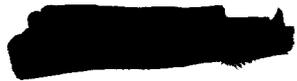
1. Companies A and B will make HSR filings for the Second Merger early next week. Company B will be the surviving company and will issue its voting stock in exchange for the outstanding stock of Company A. At the present time Company X holds more than 10% of the voting stock of Company A and would also receive more than 10% of the voting stock of Company B in the Second Merger, with a dollar amount exceeding the \$50 million threshold.

2. However, Company X is being merged with and into Company Y (the "First Merger"), and as part of that transaction, Company X will be distributing to its stockholders all of the shares it now owns in Company A.

No HSR filings are required in connection with the distribution of these shares in Company A owned by Company X because none of the stockholders in Company X who receive such shares will end up owning as much as 10% of the voting stock of Company A and none of these stockholders have or will have a director in either Company A or X.

3. Similarly, when these shareholders then receive voting shares of Company B for their share of voting stock in Company A in the Second Merger, no HSR filings are required in respect of those acquisitions because no one of these stockholders will obtain as much as 10% of the voting stock of Company B, and none will have a director on the Board of Company B.

4. It is anticipated that the distribution of shares of Company A, which will occur immediately prior to the consummation of the First Merger, will take place prior to the Closing



Patrick Sharp

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June 14, 2002

of the Second Merger. It is currently anticipated that the closing of the First Merger will take place in early July and the Closing of the Second Merger will take place no earlier than 60 days from today, because of the time it takes to file, get comments and go effective with registration documents being submitted to the Securities and Exchange Commission.

5. Thus, if everything goes as planned, the stock of Company A will, prior to the date of consummation of the Second Merger, be owned by stockholders who are distributees from Company X (as described above) and no HSR filings by those stockholders are required, and the only filings for the Second Merger would be those made by Company A as the acquired person and Company B as the acquiring person next week.

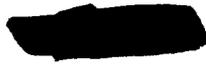
6. The HSR waiting period for the First Merger has expired and no SEC regulatory problems are expected. However, in today's economic climate, one must recognize there is always the possibility that a merger may fail to close because of a material adverse change under the Merger Agreement related to stock markets, terrorist activities and the like. If the First Merger does *not* close on a date prior to the consummation of the Second Merger, then Company X will still be the owner of stock in Company A and will need to make an HSR filing for its acquisition of more than 10% of the voting stock of Company B in the Second Merger as an acquiring person, and Company B will need to make essentially a duplicate filing (but as an "acquired person") of its next week's filing on the merger between Company A and Company B. It is possible that at the time of the consummation of the Second Merger this HSR filing by Company X may be pending with the Pre-Merger Office. (This should be very unlikely because early termination will be requested if and when such filing has to be made, and there is no overlap between Company X and Company B.

Nonetheless, in the event that this contingency happens to occur, the voting shares of Company B that Company X would receive in the Second Merger (between Company A and Company B) would be placed in escrow with no voting rights or other rights of beneficial ownership passing to Company X until expiration or early termination of the HSR waiting period with respect to Company X's filing as an acquiring person with respect to such voting shares of Company B issued in the Second Merger. Upon early termination or expiration of that waiting period, voting rights and beneficial ownership of the voting shares of Company B issued to Company X would be released out of escrow to Company X and then distributed by Company X to the stockholders of Company X in the same manner as described in Section 2 above. As noted above, this distribution and the acquisition by such distributees of voting stock of Company B does not require any HSR filings.

*Escrow
arrangement
would
include
an
upteral
decision*

In our conversation, you agreed that such an escrow would comply with the HSR Act.

It would be appreciated if you would call me to confirm your agreement that the Escrow Agreement described above complies with the HSR Act as set forth above in this letter.



Patrick Sharp

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June 14, 2002

Thank you for your consideration of this matter.

Sincerely,

[Redacted signature]

[Redacted text]

6/17

advised writer
that advice by
PS was correct

nmo

[Redacted text]