

[REDACTED]

862.9

[REDACTED]

February 19, 2008

[REDACTED]

BY E-MAIL

Federal Trade Commission
Premerger Notification Office
Bureau of Competition
Room 303
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Attn: B. Michael Verne

Dear Mr. Verne:

Thank you for speaking with us today. This letter is written to confirm your view that the following factual scenario does not preclude the application of the solely-for-the-purpose-of-investment exemption of Section 802.9 of the Premerger Notification Rules. The facts as we presented them to you are as follows:

Company A, a 50/50 joint venture between Companies B and C, plans to acquire in excess of \$63.1 million of the voting securities of Company X, which will represent approximately 7 percent of Company X's outstanding voting securities. When Company A first approached Company X, it requested a seat on its board of directors as a condition to its investment. Company X refused but has agreed that Company A may have a representative at board meetings who generally may observe and obtain all of the information distributed to the board members, but who will not have a vote.

Another condition to Company A's investment is that Company X and Company A enter into a long-term supply agreement. Company X will be manufacturing a product that will be needed by Company A in its anticipated operations. The contract will have a three to five-year term. Company X represents that this contract will not constitute more than 15% of its revenues in any of the next three years. As may be inferred from the above, Company A and Company X will not be direct competitors but will be in a vertical relationship.

At this time, Company A has no intention to place a representative on Company X's board of directors, nor to offer any proposition requiring Company X shareholder action, nor to influence the basic business decisions of Company X.

Based on the above, you indicated that Company A was not precluded from claiming the exemption in Section 802.9.

[REDACTED]

[Redacted]

February 19, 2008

Please let us know if the above does not accurately reflect our conversation and your advice.

Very truly yours,

[Redacted Signature]

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cc:

[Redacted CC List]

AGREE
BM
2/19/08

[Redacted]