

December 29, 1983

BY HAND

Patrick Sharpe, Esq.
Federal Trade Commission
6th & Pennsylvania Avenue, N.W.
Room 301
Washington, D.C. 20580

Dear Mr. Sharpe:

This is to confirm our telephone conversation of last week, in which we asked whether the following transaction would be subject to the Hart-Scott-Rodino ("HSR") Premerger Notification and Waiting Requirements (15 U.S.C. § 18a).

Assume Company A holds an option initially to acquire non-voting securities in Company B. Assume further that Companies A and B fulfill the size of the parties test. The price for exercising the option is \$20 million. Therefore, if voting securities were being acquired, the size of the transaction test would be met.

Although the initial option is for non-voting securities, the securities are convertible into voting securities at any time. Furthermore, although the securities to be initially acquired are non-voting, they carry with them a right to veto B's entry into businesses that A is prohibited by federal regulation from entering or which are not permitted by B's Certificate of Incorporation at the time the option is exercised.

You have advised us that under the above circumstances, the exercise of the initial option and the resulting acquisition of convertible non-voting securities is not a transaction that must be reported under HSR. However, if in the future A converts the non-voting securities thus acquired into voting securities, the conversion might be a reportable event subject to the HSR waiting period requirements.

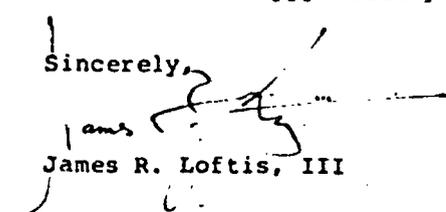
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Please call me at your earliest convenience to confirm that you agree that this letter accurately sets forth the request we made in last week's conversation and your advice to us.

Thank you very much, and best wishes for a happy holiday season.

Sincerely,


James R. Loftis, III

JRL/gph