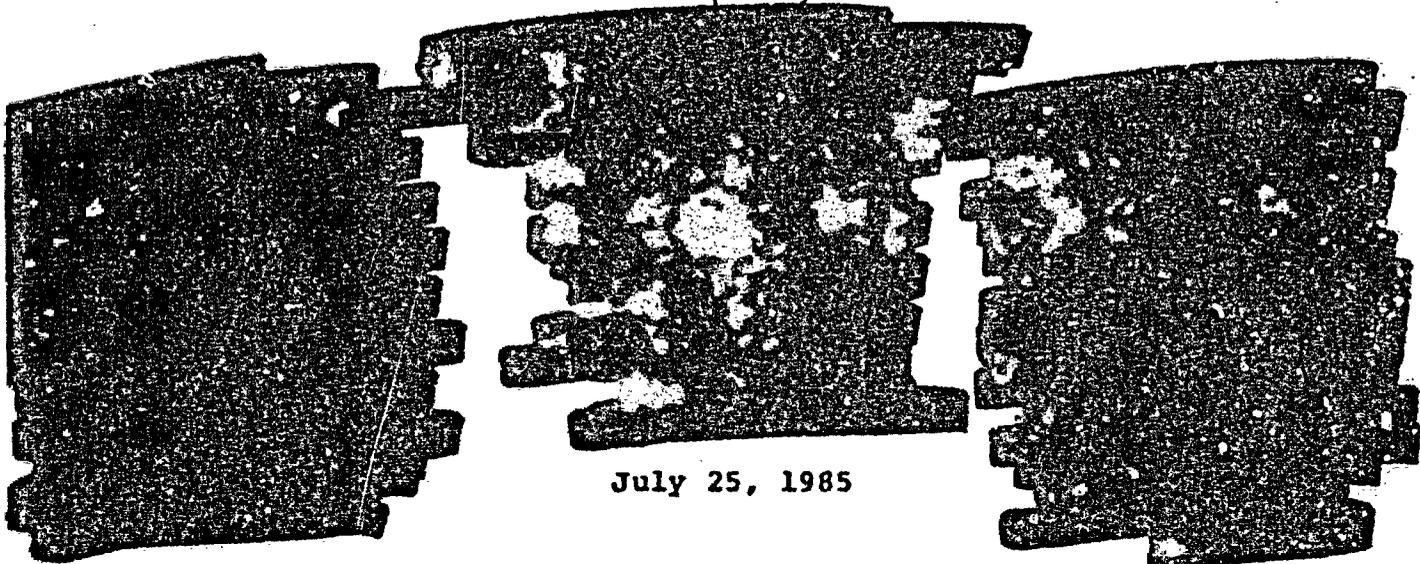


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ORIGINAL



July 25, 1985

VIA HAND DELIVERY

Pre-Merger Notification Office
Bureau of Competition
Room 301
Federal Trade Commission
Washington, D.C. 20590

Attention: Wayne Kaplan, Esquire

Re: [Redacted]
Request for Confirmation That
Merger of [Redacted]
[Redacted] is Not a Reportable
Transaction

Gentlemen:

On behalf of [Redacted]
we hereby request your confirmation that, pursuant to the
minimum dollar value exemption (16 C.F.R. §802.20), the tran-
saction described below does not require the filing of a
Notification Report ("Report") under the Hart-Scott-Rodino
Antitrust Improvements Act of 1976, 15 U.S.C. §18a (the
"Act").

This material may be subject to
the confidentiality provision of
Section 7A (h) of the Clayton Act
which restricts release unless the
FTC is notified of information Act



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[REDACTED] is a wholly-owned indirect subsidiary of ultimate parent entity [REDACTED]. While [REDACTED] has assets in excess of \$100 million, [REDACTED] does not have assets or annual net sales in excess of \$25 million. It is proposed to merge [REDACTED] which has sales in excess of \$25 million, with [REDACTED] being the surviving corporation. As a result of the merger, [REDACTED] through an indirect subsidiary, will acquire 15% of the voting stock of [REDACTED] as well as non-voting preferred stock equivalent to the non-voting preferred stock of [REDACTED]. The purchase price for [REDACTED] 15% of the voting securities of [REDACTED] is less than \$15 million as is the purchase price of the voting securities of [REDACTED] to be acquired by [REDACTED].

Simultaneously, [REDACTED] will acquire additional [REDACTED] common stock from certain [REDACTED] shareholders which, when combined with the stock acquired pursuant to the merger, will give [REDACTED] slightly more than 42% of the voting stock of [REDACTED]. The purchase price of all the voting stock of [REDACTED] acquired by [REDACTED], including stock purchased from [REDACTED] shareholders, is less than \$15 million.

Further, pursuant to provisions of the Agreement and Plan of Merger ("Agreement"), [REDACTED] will have the right to elect three of the five members of the [REDACTED] board of directors, with the existing TVSM shareholders electing the remaining two directors. The Agreement also includes a buy-sell option giving [REDACTED] the right to obtain additional [REDACTED] stock in the future. Thus, while the two-step security acquisition by [REDACTED] does not itself give [REDACTED] voting control of [REDACTED] since it will acquire less than 50% of [REDACTED] voting stock, the entire transaction will vest such voting control in [REDACTED] because of the concurrently-executed voting agreement.

We have been informed by Mr. Wayne Kaplan of the Pre-Merger Office that, pursuant to 16 CFR §802.20, as amended, the transaction is exempt from the reporting requirements of the Act. We have also been informed that upon consummation of the above-described transaction, [REDACTED] will be deemed the "ultimate parent entity" of [REDACTED] but that any acquisition of additional [REDACTED] securities by [REDACTED] sufficient to give [REDACTED] at least 50% of [REDACTED] voting stock will be a reportable transaction under the Act.

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Because eligibility for exemption from the reporting requirement under the language of Section 802.20 requires that the acquiring person not obtain "voting securities which confer control of an issuer" (emphasis supplied), we are requesting your confirmation that the transaction is exempt despite acquisition of control of TVSM simultaneously with its less than 50% stock acquisition.

In light of your advice, we are deferring the filing of a Report pending receipt of your confirmation that the transaction is exempt and no Report need be filed. If we do not hear to the contrary from you by Friday, August 2, 1985, we will feel free to consummate the transaction without filing a Report. We would, however, appreciate receiving a letter from you confirming that no Report is required.

Please acknowledge receipt of this letter by stamping the enclosed copy and returning it to our messenger. Should there be any questions concerning [redacted] please contact [redacted]

Should there be any questions concerning [redacted] Inc. please contact [redacted]

OK
WEK and
Andy Scanlon 7/26/85