

PS

October 8, 1985

P.L. MERGER
NOTIFICATION
OFFICE
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RECEIVED

Mr. Patrick Sharpe
Premerger Notification Office
Federal Trade Commission
Washington, D.C. 20580

Dear Mr. Sharpe:

As we discussed in our telephone conversations yesterday and last week, this firm represents a corporation ("Company A") which plans to acquire voting securities of another company ("Company B"). Company A currently holds twenty-one percent of the outstanding voting securities of Company B, and will hold twenty-three percent of the voting stock as a result of the acquisition, i.e., an increase of two percent. In connection with its present holdings of Company B stock, Company A filed a Hart-Scott-Rodino Premerger Notification form in March 1983. Since the contemplated acquisition will not exceed the next notification threshold (twenty-five percent), it is our understanding that no new filing will be required. *I concur with this.* (PS)

In addition to voting securities, the proposed transaction will also involve our client's acquisition of warrants or options, as well as a right to nominate directors. It is our understanding that the acquisition of warrants and options are not reportable events. (We recognize that in the event these warrants or options are exercised, reporting may be required when and if the next notification threshold is met.) As to Company A's right to nominate directors, Company B has agreed that its board of directors will fill

This material may be subject to the... Provision of Section... of the Clayton Act which...

Mr. Patrick Sharpe


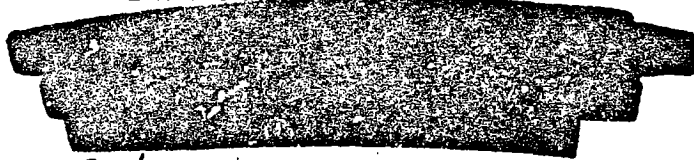
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any vacancies on the board with candidates proposed by Company A and will nominate those individuals whom our client recommends for election at future shareholder meetings. While our client will have only twenty-three percent of the voting stock, another unrelated group of shareholders has pledged that it will vote for those directors nominated by the board, and will vote on all issues in accordance with the recommendations of the board of directors. Effectively, this will give our client forty-six percent of the vote for the election of directors. Under cumulative voting procedures, this forty-six percent may be sufficient to enable our client to cause the election of a majority of the directors on the board. It is our understanding that these voting arrangements do not cause this transaction to become a reportable event under the Hart-Scott-Rodino Rules.

Based on our conversations, we understand that our client will not be required to submit a Hart-Scott-Rodino Premerger Notification filing for the transaction outlined above. Please contact us immediately if our understanding of the reporting requirements with respect to this transaction is incorrect.

Sincerely yours,



Not reportable - Patrick Sharpe
does not cross a threshold. However, the
ing agreement could make A the ultimate
ent entity of B for future filings.

called 

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