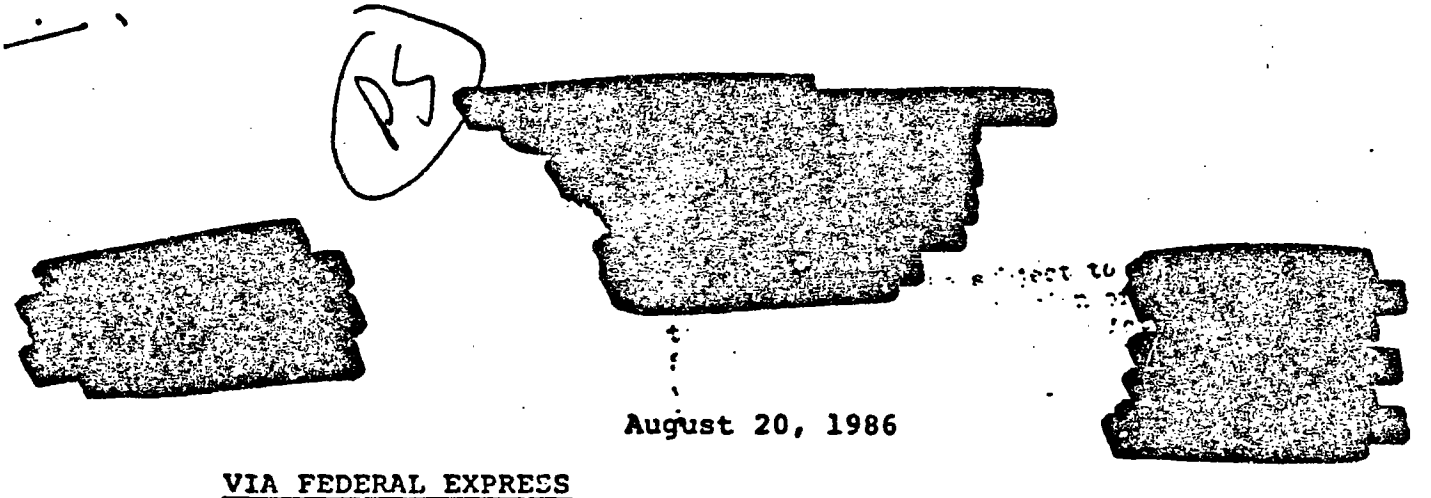


August 20, 1986

VIA FEDERAL EXPRESS

Patrick Sharpe, Esq.
Compliance Specialist
Pre-Merger Notification Office
Room 303
Federal Trade Commission
6th Street & Pennsylvania Avenue, N.W.
Washington, DC 20580

Re: Interpretation of Ultimate Parent Entity;
16 CFR § 801.1(a)(3)

Dear Mr. Sharpe:

Pursuant to our telephone conversation of Wednesday, August 20, 1986, I hereby request that the Pre-Merger Notification Office of the Federal Trade Commission determine that A Corp. is the ultimate parent entity of the acquired person in the acquisition described below.

A Corp. is a U.S. corporation involved in manufacturing. U Corp. proposes to acquire 100% of the issued and outstanding voting securities of A Corp. for less than $20 million. A Corp.'s voting securities are held by B Corp., a non-U.S. corporation, which holds record title to 64.5% of the voting securities, and by six United States individuals who, as a group, own 35.5% of the voting securities of A Corp. Of the six, four individuals are management employees of A Corp. ("Management Employees"), and two are private investors who are also consultants to A Corp.

B Corp. is record holder of the shares of A Corp. as nominee for a pool of approximately 30 foreign investors (the "Investors"), but B Corp. has sole discretion for investment decisions, including the sale of the stock of A Corp. and voting of investments. The shareholders of B Corp. have the right to manage and control B Corp.'s investments, but not the right to share in dividends and profits. All of the stock of B Corp. is owned by persons who are not citizens or residents of the U.S., none of whom own, control, or have the right to vote more than 50% of the outstanding stock of B Corp.

However, pursuant to an agreement among shareholders of A Corp., executed at the time of the acquisition of A Corp. from its previous owner, all of the shareholders of A Corp. agreed to vote their shares to assure the election of two directors nominated by B Corp., two directors nominated by the Management Employees, and one director selected by the two private investors.

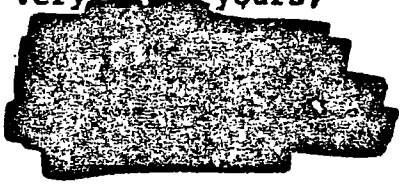
As a consequence, B Corp., while having record title to 64.5% of the voting securities, does not have the present power to elect a majority of the directors of A Corp.

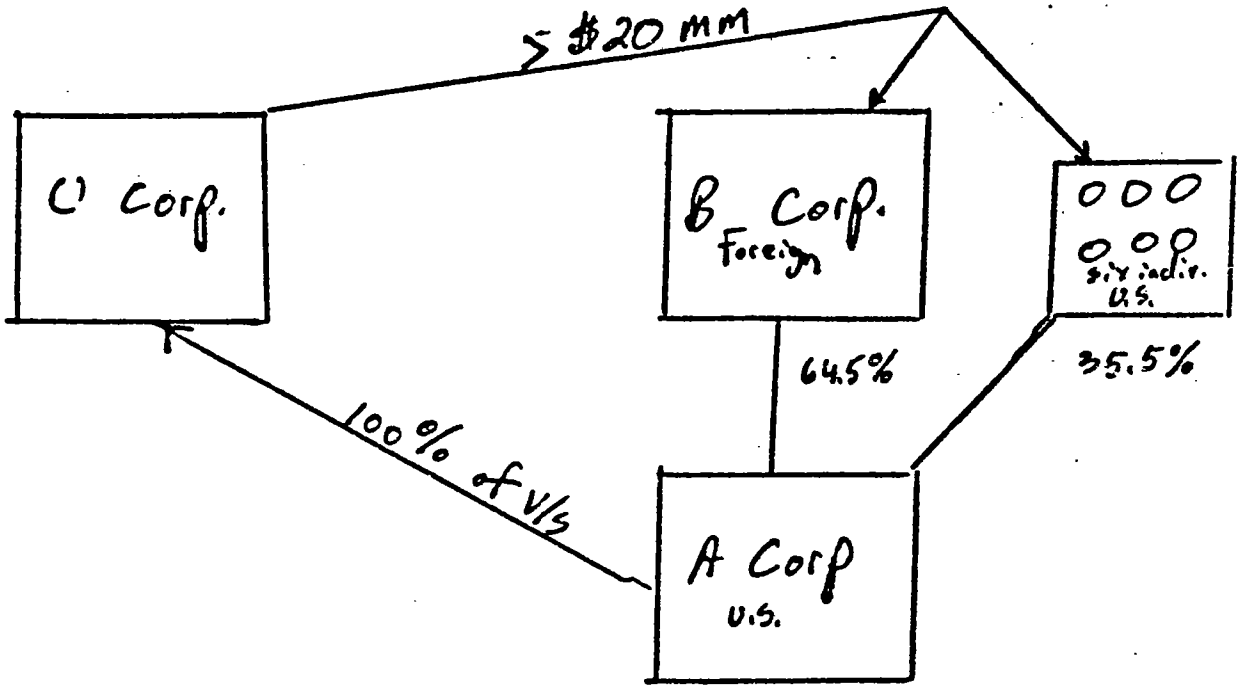
Thus, although B Corp. holds record title to 64.5% of the voting securities of A Corp., it has fragmented its indicia of ownership in such a way that it does not have "control" over A Corp. and passes through the economic benefits of ownership to the Investors who have placed funds with B Corp. for investment. Therefore, we concluded that A Corp. is a person that is not controlled by any other person.

For this reason, we request your determination that A Corp. is the "ultimate parent entity" as that term is defined in 16 CFR § 801.1(a)(3).

Please let me know as soon as possible whether the Commission concurs in this interpretation. We understand that you will give us a determination by telephone within 48 hours after receipt of this letter, to be confirmed by a letter.

Very truly yours,





C Corp will acquire all V/S of A Corp from B Corp and other shareholders for > $20mm

Argument: A is its own ultimate Parent Ent.', Because no one person has the power to elect a majority of the directors of A.

Answer: Wrong, B is the UPE of A because they hold and control more than 50% of the V/S of A.