September 19, 1986

Mr. Patrick Sharpe
Federal Trade Commission
Room 303
Premerger Notification Office
Bureau of Competition
Sixth Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Mr. Sharpe:

I am writing this letter as a result of our telephone conversation the other day concerning the filing of a Notification and Report Form for Certain Mergers and Acquisitions (the "Premerger Form") on behalf of our client ("Company A") which intends to acquire substantially all of the assets of another entity, ("Company B"). This transaction standing alone does not trigger the filing requirements of 15 U.S.C. §18a and the rules and regulations promulgated thereunder (collectivley, the "Act") because neither Company A nor Company B (both of whom are engaged in the service business) has assets or annual sales in excess of $100 million.

As we discussed, however, Company A and a large publicly-held company ("Company C"), which has both assets and annual sales in excess of $100 million, have reached an agreement for the acquisition of all of the outstanding capital stock of Company A by a wholly owned subsidiary of Company C. In connection with that transaction, Premerger Forms will be prepared and filed with your office and with the Department of Justice on behalf of Company A as the acquired person and by Company C as the ultimate parent entity of the acquiring person. We recognize that upon completion of Company C's acquisition of Company A, the acquisition of Company B whether by Company

A or some other subsidiary of Company C will be subject to the notice filing requirements of the Act. As I indicated on the phone, however, neither transaction is contingent on the other and none of the parties are willing to make one acquisition contingent on the other.

It is probable that the acquisition of Company A by Company C may not be consummated until shortly before the scheduled consummation of the purchase of Company B by Company A. Since both transactions have to be closed by the end of this year (based on the substantial negative impact of the new tax laws on these transactions), it is very possible that both transactions would close within a few days of each other in December. The difficulty, of course, is that when Company C buys Company A, the entity which then acquires Company B could not complete the transaction without (a) filing the Premerger Form, and (b) the termination of the Hart-Scott-Rodino waiting period. Obviously, there is a high probability that the waiting period would not then expire before the end of the year and the transaction involving Company B and Company A will not occur. This is not merely supposition but fact since the understanding between the parties clearly provides an absolute cut-off date of December 31, 1986.

Both Company A and Company C currently have the good faith intention to consummate their transaction; in fact, a letter of intent has been signed which, among other things, obligates both parties to proceed in good faith to close the transaction before the end of the year. Although a definitive letter of intent has not been signed in the Company A/Company B deal, the economic and other substantive terms of the transaction have been verbally agreed to by all parties and there is no reason to believe that the acquisition will not be consummated.

Accordingly, we request that we be permitted to file the Premerger Form on behalf of Company A after giving effect to the anticipated acquisition of Company A by Company C and have Company B file as the acquired entity. We are anxious to receive your permission to proceed on that basis to avoid the potential failure of the transactions contemplated.

If you have any suggestions or if there is some other means by which we can comply with the Act, please call me. In any event, I would appreciate it if you could respond to the concerns expressed herein and provide us with any solutions you might be able to suggest. Thank you for your consideration and your anticipated cooperation in this matter.

Very truly yours,