



Confidential Treatment  
Requested

April 8, 1987

VIA COURIER

Wayne Kaplan, Esq.  
Premerger Notification Office  
Bureau of Competition, Room 303  
Federal Trade Commission  
Sixth and Pennsylvania Avenues, N.W.  
Washington, D.C. 20580

THIS INFORMATION MAY BE REFERRED TO  
THE STATEMENT OF PROVISION 51623/70  
SECTION 17 (1) OF THE CLERK ACT  
WHICH RESTRICTS RELEASE UNDER  
PROVISION OF INFORMATION ACT

NO  
19 APR 08 1987  
U.S. DEPT. OF JUSTICE

Re: [redacted] Management Buy-Out

Dear Mr. Kaplan:

As we discussed yesterday, set forth below is certain information supplementing the letter to you dated April 1, 1987, from [redacted] of this firm regarding the proposed Management Buy-Out of the [redacted]. Please note that the terms used in this letter and not otherwise defined in it have the meanings assigned to them in the April 1 letter. In addition, as discussed in the April 1 letter, we request confidential treatment of the information described in this letter under the Freedom of Information Act and the Federal Trade Commission Act.

When we spoke, you requested additional information regarding the redemption of [redacted] interest in [redacted] and the proposed offer to exchange the interests of minority shareholders in [redacted]. The redemption

Wayne Kaplan, Esq.  
April 8, 1987  
Page 2

Confidential Treatment  
Requested

of [redacted] interest in [redacted] in connection with the Management Buy-Out is a means by which [redacted] will receive payment for his interest in the [redacted] shares in [redacted] will be redeemed for cash and non-voting redeemable preferred stock of [redacted] which will be held by [redacted]. Control of the [redacted] operating entities will have been transferred from [redacted] to [redacted] at the time of the redemption.

After the redemption of [redacted] interest in [redacted] the four minority shareholders of [redacted] will be offered a share-for-share exchange of their shares in [redacted] or shares in [redacted]. At the time of the exchange offer, the four shareholders, who will at the time be the only remaining [redacted] shareholders, will own 39.9%, 23.3%, 24.8% and 12.0% of [redacted] respectively. [redacted] at the time will be the 23.3% holder.

In the event that the exchange offer is accepted, which we believe is highly probable because each of the four minority shareholders is a member of the management of the [redacted] no became a shareholder pursuant to the exercise of options in his employment contract with the [redacted] will own all of the then outstanding shares of [redacted] and, indirectly, those of its wholly-owned subsidiary, [redacted] as described in our April 1 letter. [redacted] will continue to hold its interests in [redacted] and [redacted].

In the event that the exchange offer is not accepted, which we believe is highly unlikely, the four shareholders will continue to own shares in [redacted] and, indirectly, [redacted] would continue to hold its interests in [redacted].

Because the major operating subsidiaries of [redacted] (namely [redacted] and its subsidiaries) and [redacted] will have been transferred to [redacted] both of which will be controlled by [redacted] at or before the time of the redemption of [redacted] interest in [redacted] control of substantially all of the operating companies within the [redacted] will rest with [redacted] at the conclusion of the Management Buy-Out. While [redacted]

Wayne Kaplan, Esq.  
April 8, 1987  
Page 3

Confidential Treatment  
Requested

and its interests in [redacted] Inc. will not be acquired by [redacted] if the exchange offer is not accepted, we have been informed that the Management Buy-Out will be effected on the terms described in our April 1 letter whether or not these entities are acquired.

We trust that the above clarifies your questions regarding the Management Buy-Out. If you have any additional questions, please do not hesitate to telephone me at [redacted]

Very truly yours,  
[redacted]

cc: [redacted]

[redacted] Esq.  
[redacted] Esq.

Based on the analysis that this is one indivisible transaction it appears that no filing by [redacted] is required since the 801.11(c) size-of-person calculation results in his person being less than \$10.0 million in size of assets. If the minority shareholders refuse to carry out the exchange offer portion then there is still only one acquisition in the analysis and the result is the same