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May 3, 1988

BY FEDERAL EXPRESS

John M. Sipple, Jr., Esq.
Premerger Notification Office
Federal Trade Commission
Pennsylvania Avenue at
Sixth Street, N.W.
Washington, D.C. 20580

Dear John:

I am writing to confirm our telephone conversation today and the conclusion that no HSR filings are required in connection with joint venture

As we discussed, will be formed and announced on May 10, 1988. will be a Delaware, not-for-profit, non-stock membership corporation established to conduct operating software research and development which will be made available at non-discriminatory license fees to any interested party. The initial Sponsors of are

Each of these Sponsors has agreed to contribute \$3 million per year for a three-year period, and to contribute an additional \$1.5 million per year during that same three-year period if later requested by

I reviewed with you the two separate HSR exemptions that apply to and its four Sponsors, and our conclusion that therefore no HSR filings are required. First, §802.20 applies because no Sponsor holds voting securities and assets of the joint venture in excess of \$15 million (the total value of each sponsor's interest, including all committed future contributions, is \$13.5 million) and because no Sponsor holds voting securities which confer control of the issuer (each of the four Sponsors has a 25% interest in). Second, §802.40 applies because will be established as a not-for-profit research and development joint venture which qualifies under §501(c)(6) of the Internal Revenue Code. I noted that cannot obtain an advance ruling from the

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IRS regarding this qualification, but we believe that it clearly falls within §501(c)(6), and therefore should be exempt from HSR filing under §802.40.

Upon reviewing these facts and exemptions, you confirmed our conclusion that HSR filing was not required under these circumstances. Although I know that it is your general policy, I emphasize again our request for confidentiality regarding this matter.

I appreciate your cooperation in responding to my inquiry.

Very truly yours,

