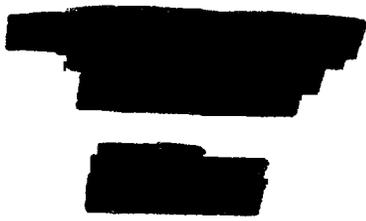


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May 26, 1994

This material may be subject to the  
applicability provisions of Section

Hy David Rubenstein, Esquire  
Premerger Notification Office  
Bureau of Competition, Room 303  
Federal Trade Commission  
Sixth Street and Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

MAY 26 11 11 AM '94  
FEDERAL TRADE  
COMMISSION  
PREMERGER NOTIFICATION  
OFFICE

Dear Mr. Rubenstein:

This letter confirms our conversation earlier today regarding the situation described hereinbelow and your advice thereon.

Corporations A and B contemplate a step transaction. The first step entails entry into a collaboration agreement pursuant to which engineering personnel from both corporations will engage in research and development activities geared toward development of general specifications of a new type of widget. Each party would independently implement these general specifications into its own widgets. As part of the first step, a trust will be formed into which each party will contribute certain existing intellectual property ("IP") rights necessary to carry out the development effort. IP rights resulting from the collaboration will also be held by that trust.

Step 2 contemplates the formation of a joint venture corporation into which the IP rights held by the trust will be transferred and through which the parties will continue their collaborative R&D efforts. Upon formation of the corporation and transfer of the trust assets to it, the trust will be dissolved.

Step 1 will not be a reportable transaction because it does not involve the acquisition of assets or securities, while step 2 will be a reportable transaction because the applicable HSR thresholds are met. The parties contemplate filing the requisite HSR notification forms with regard to the step 2 transaction, and thereby commencing the applicable waiting period, contemporaneously with the formation of the step 1 trust.

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OR  
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The parties believe that they can pursue all of the activities contemplated under step 1, including joint development of the general specifications of the new type of widget and

[REDACTED]

Hy David Rubenstein, Esquire  
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transfer of IP rights into the trust, during the waiting period applicable to the step 2 transaction. In our conversation, you concurred in that view.

Please advise me at your earliest convenience if you believe this letter differs in any manner from our conversation. Thank you for your assistance.

Sincerely,

[REDACTED]

[REDACTED]

*5/31 called writer; step 1 is a function of a non-cos  
- not remarkable*