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[REDACTED]

[REDACTED]

[REDACTED]

May 26, 1994

VIA FACSIMILE

Hy David Rubenstein, Esq.
Premerger Notification Office
Federal Trade Commission
6th and Pennsylvania Ave. N.W.
Room 303
Washington, DC 20508

This material may be subject to the confidentiality provisions of section 7A(E) of the Clayton Act which prohibits disclosure of information received in confidence for purposes of this Act.

Re: Proposed Step Transaction

Dear Hy:

This letter will confirm our conversation earlier today during which we discussed the following hypothetical:

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 the 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.

Formation of a Partnership or Joint Venture (Not a Corp.)
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J.R.N.
of PA

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You confirmed our understanding that the parties can pursue all of the activities contemplated under step 1, including joint development of the general specifications for the new type of widget and transfer of IP rights into the trust, during the waiting period applicable to the step 2 transaction.

Please call me as soon as possible if you believe that this letter does not accurately reflect our conversation.

Sincerely,
[REDACTED]

*5-31 called writer; step 1 is a formation of a non-corp.
- Not readable.*

[REDACTED]