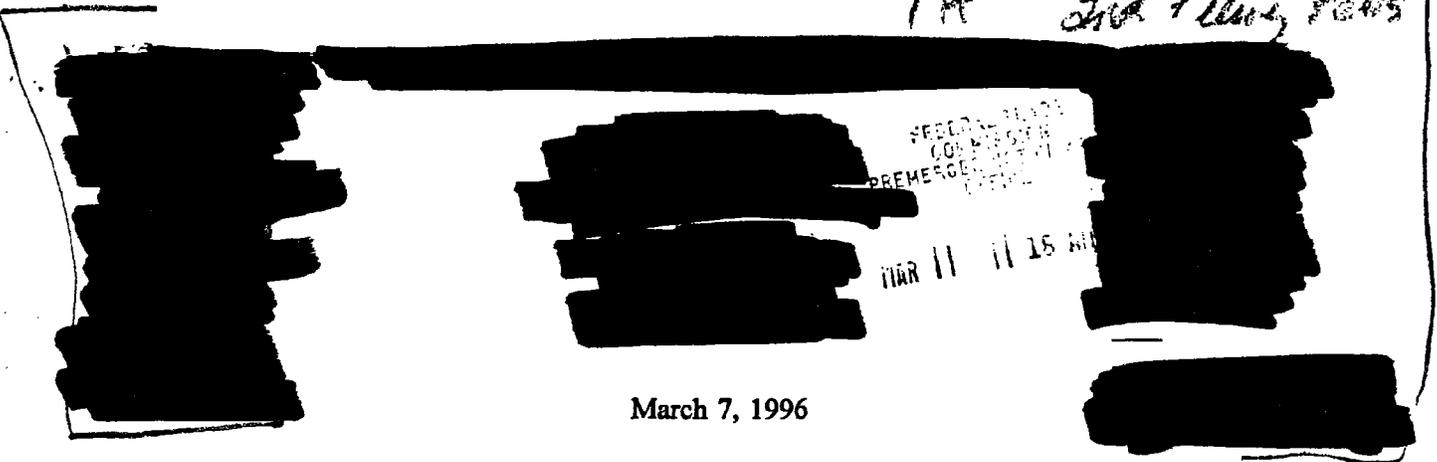


7A 2nd Filing 1995



March 7, 1996

Mr. Hy Rubinstein  
Hart-Scott-Rodino Enforcement Division  
United States of America  
Federal Trade Commission  
Pennsylvania Avenue at 6th Street, N.W.  
Washington, D.C. 20580  
BY FAX (202) 326-2624 and  
(202) 326-2050

This material may be subject to the confidentiality provisions of Section 7A(h) of the Clayton Act which restricts release under the Freedom of Information Act.

Dear Mr. Rubinstein:

This is to request your advice with respect to the filing requirements of a transaction in which my client is considering engaging. I made an informal inquiry over the telephone, and if the answer I was given then is, in fact, the correct answer, then the costs of the Hart-Scott-Rodino filings which would be required are going to persuade the parties not to go through with the arrangement. Before everyone packs up and goes home, however, I thought I would restate the question in writing to make certain that the answer I received before --- that three entities proposing to merge into one entity would have to do six Hart-Scott-Rodino filings with six \$45,000 filing fees --- was correct.

Three companies, "A", "B" and "C", are engaged in the manufacture and sale of Widgets. Their assets and gross sales are as follows:

Company	Gross Annual Sales	Asset Value
A	\$40,000,000.00	\$20,000,000.00
B	120,000,000.00	45,000,000.00
C	220,000,000.00	60,000,000.00

A, B and C would either like to merge into a new entity, "D", or if there are either tax or Hart-Scott-Rodino advantages to doing so, they could all merge into a single pre-existing entity, for example, B. In either event, the owners of A, B and C would each

March 7, 1996

Page 2

get stock in a proportion yet to be agreed upon. In any case, each of them would be receiving stock as a result of the deal with a value in excess of \$15 million, and almost certainly each of them would be receiving at least 10% of the stock in the resulting entity.

When I made my original telephone inquiry to the Federal Trade Commission, I asked for confirmation that each entity would have to do a Hart-Scott-Rodino filing, so there would be three HSR filings in all at a total expense of \$135,000. To my surprise (and my client's consternation), your response was that we would have to do six Hart-Scott-Rodino filings, as follows:

- A would file on account of its acquisition of B
- A would file on account of its acquisition of C
- B would file on account of its acquisition of A
- B would file on account of its acquisition of C
- C would file on account of its acquisition of A
- C would file on account of its acquisition of B

That total filing fee of \$270,000 is just too rich for these parties' blood. They have come back to me and said, [REDACTED] you must have heard the man wrong, or you must not have explained it to him properly."

So, my question is, how many Hart-Scott-Rodino filings would be required on account of this proposed transaction?

Very truly yours,

[REDACTED]

[REDACTED]