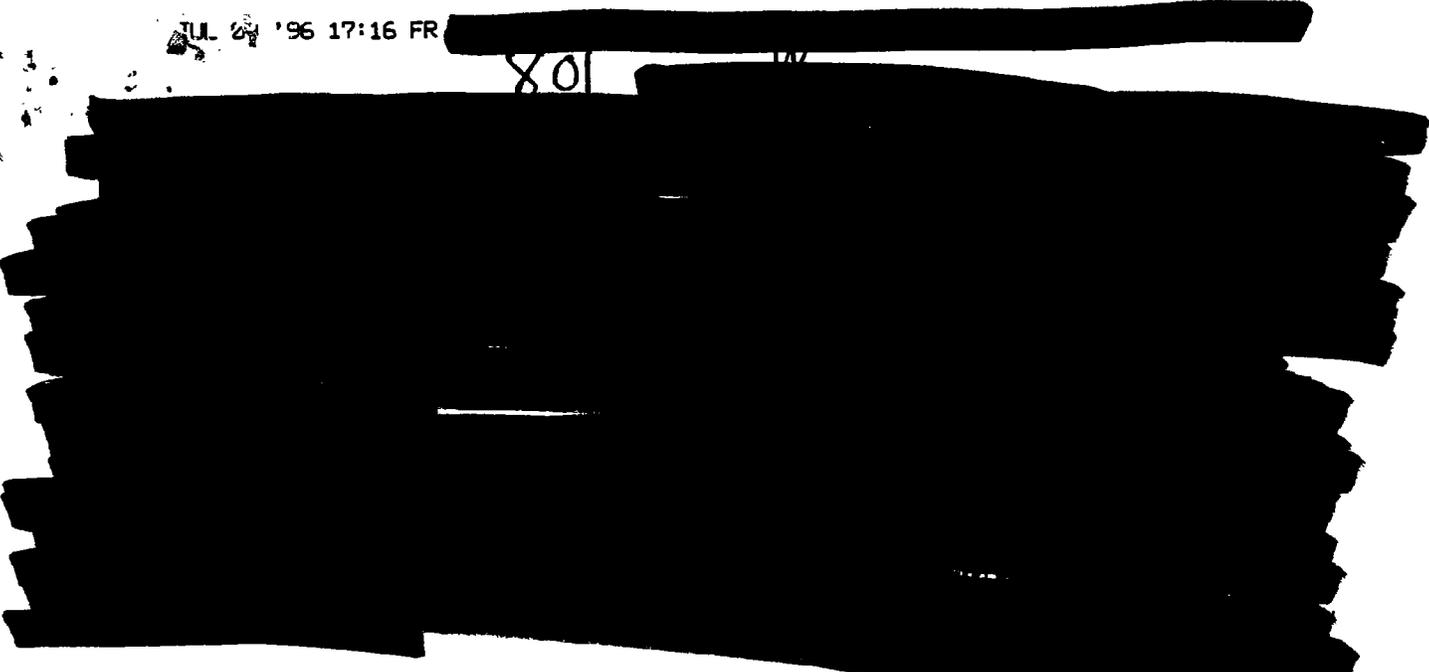


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July 9, 1996

Richard B. Smith, Esq.
Federal Trade Commission
Premerger Notification Office - Room 303
Sixth Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

JUL 9 7 32 AM '96
FEDERAL TRADE
COMMISSION
PREMERGER NOTIFICATION
OFFICE

Dear Mr. Smith:

This letter confirms our telephone conversation of July 8, 1996, in which you advised that the sale of distribution rights to motion picture films is not a reportable event under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act") and that the Premerger Notification Office would not view the following transaction as a reportable event for purposes of the Act:

Company A, a producer and distributor of motion pictures, proposes to sell to Company B, a motion picture distributor, exclusive theatrical and home video distribution rights to A's catalog of films for a consideration in excess of \$15 million. Both A and B meet the size-of-person test of the Act.

We also understand that, unlike the sale of distribution rights, the sale of a distribution agreement is deemed by the Premerger Notification Office to be a reportable event.

Please call me at ([REDACTED]) at your earliest convenience to confirm that the above accurately reflects our conversation.

Very truly yours,

[REDACTED]

BY FACSIMILE

7/10/96 Advised writer that exclusive distribution agreement must contain no exclusive grant of any trademark, copyright or patent. If in the present situation no such exclusive grant accompanies the exclusive distribution grant, then no HSR filings are required.

PTB Smith