

[REDACTED]

Fax Transmission

Date: March 30, 1998
To: Nancy Ovuka
Federal Trade Commission

Fax Number: (202) 326-2624

From: [REDACTED]

Sender's direct line: [REDACTED]

Sender's Fax: [REDACTED]

Total # of pages:
(including this sheet)

Sender's ID Number: [REDACTED]

Client/Matter number: [REDACTED]

88 2 11 00 00 00 86
00 00 00 00 00 00
00 00 00 00 00 00

This material may be subject to the confidentiality provisions of section 7A(1) of The Cayman Act which restricts release under The Freedom of Information Act.

Message:

Confidentiality Notice: This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged and confidential. If the reader of this message is not the intended recipient or an employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us by mail. We undertake to reimburse you for costs so incurred. Thank you.

802.20

[redacted]

100 ... 7000
ST. LOUIS

'98 MAR 30 PM 2 48

[redacted]

March 30, 1998

VIA TELECOPIER

Nancy Ovuka, Esq.
Pre-Merger Notification Office
Federal Trade Commission
Washington, D.C.

Applicability of H-S-R Premerger Notification Requirements

Dear Ms. Ovuka:

At your kind suggestion during our telephone conversation earlier today, I am briefly describing the transactions I called you about.

1. Company A is a corporation in a service industry with sales of under \$10 million and few assets. All of the stock of Company A is owned by a single individual ("Individual A") who probably has net worth in excess of \$10 million. We have no reason to believe that Individual A's net worth exceeds \$15 million but could verify this if necessary.

2. Company B is a group of more than 20 sister companies, all in services businesses, with sales in excess of \$100 million and net assets in excess of \$15 million. A single individual ("Individual B") owns, directly or indirectly, more than 50% of the stock of all but two of these companies and probably has de facto control of those two as well. We believe that Individual B's net worth is in excess of \$100 million.

3. Company B wishes to acquire Company A and a letter of intent has been signed for a stock deal with consideration (all stock) valued at \$9,375,000.

4. Company B is planning an initial public offering, which will require consolidation of the various companies constituting Company B under a single holding company.

5. Company B's accountants have recommended that Company A be the consolidation vehicle. To accomplish this, Company A will establish subsidiaries mirroring each of the companies (with the exception of second tier subsidiaries) that constitute Company B, which companies will be merged into the new subsidiaries.

*counsel claims
each is its own
VPE and doesn't meet
the size-of-person t*

March 30, 1998
Page 2

6. When these transactions are consummated, all the companies constituting Company B will be subsidiaries of Company A. Individual A will own between two and three percent of the stock of Company A, the shareholders of the companies constituting Company B will own 97-98% of the stock of Company A and Individual B will control Company A.

7. We believe that the transactions described in paragraphs 3 and 5 above, taken separately, would not be subject to premerger notification, in the first case because the transaction does not meet the size of transaction test and, in the second case, because it is an intra person transaction. *802.2g*

8. While we believe that the result should be the same (no premerger notification required) for the combined transactions, because combining the two transactions into one creates some interpretative issues, we seek guidance from the Commission.

Please call me at [REDACTED] to discuss this. Many thanks for your helpfulness.

Sincerely,
[REDACTED]

OK. Survivor is Individual B.

RS concurs