

802.31
801.1(f)(3)

[REDACTED]

[REDACTED]

November 8, 1999

VIA FEDEX

Nancy Ovuka, Esq.
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
6th Street and Pennsylvania Avenue, NW
Washington, DC 20580

FEDERAL TRADE COMMISSION
PREMERGER NOTIFICATION OFFICE
FPPR NOV - 9 A 10:34

Re: Our File No. [REDACTED]

Dear Ms. Ovuka:

We represent [REDACTED] a publicly-held Washington corporation. As you suggested, we are writing to confirm our telephone conversations with you on October 21, 22, and 25, 1999, during which you agreed with the conclusions set forth below.

In September 1998, [REDACTED] acquired approximately 32% of the capital stock of [REDACTED], a privately-held Delaware corporation, by purchasing 228,570 shares of nonvoting Series D Convertible Preferred Stock for \$22,857,000. It is our understanding that an HSR filing was not required in connection with the purchase of the Series D Stock because Section 802.31 exempts the acquisition of convertible non-voting securities from the requirements of the Act.

The rights and preferences of the Series D Stock included mandatory conversion into shares of [REDACTED] Common Stock upon the occurrence of an initial public offering of [REDACTED]. At the time [REDACTED] purchased the Series D Stock, it had no knowledge that [REDACTED] would ever complete an IPO. In June 1999, [REDACTED] went public and, as a result of the IPO, [REDACTED] Series D Stock was automatically converted into Common Stock. It is our understanding that an HSR filing was not required in connection with the conversion of the stock upon [REDACTED] IPO because the conversion from non-voting preferred stock to voting common stock was mandatory, occurred automatically, and did not represent an exchange. 16 C.F.R. § 801.1(f)(3) (1999); 43 Fed. Reg. 33,463 (1978).

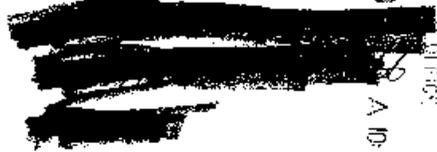
Law Offices
[REDACTED]

[REDACTED]

Nancy Ovuka, Esq.
November 8, 1999
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Please call me if you have any further questions or concerns regarding this matter.
Thank you for your assistance and cooperation.

Very truly yours,

A large blacked-out redaction covering the signature and name of the sender.

JPR
A 10-314
FEDERAL TRADE
COMMISSION
WASHINGTON
D.C. 20540

cc: 