



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

December 20, 1991

Mr. Robert J. Diercks
Foster Pepper & Shefelman
1111 Third Avenue
Suite 3400
Seattle, Washington 98101

Re: Section 16 under the Securities Exchange Act of 1934

Dear Mr. Diercks:

In regard to your letters of May 28, 1991 and Aug. 2, 1991, our response thereto is attached to the enclosed photocopy of your correspondence. By doing this, we avoid having to recite or summarize the facts set forth in your letters.

Sincerely,

A handwritten signature in cursive script that reads "Abigail Arms".

Abigail Arms
Deputy Chief Counsel

FOSTER PEPPER & SHEFELMAN

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August 2, 1991

VIA FACSIMILE
202-272-2677

Mr. Brian J. Lane
Office of Chief Counsel
Division of Corporation Finance
Securities & Exchange Commission
450 Fifth Street N.W.
Washington, D.C. 20549

Dear Mr. Lane:

In accordance with our telephone conversation last week, this will supplement our letter of May 28, 1991 requesting an interpretation of the Commission's Rule 16(b)-3(c)(1) in connection with the acceleration of the vesting period for a derivative security. You have requested further information regarding the acceleration of the vesting period under the stock option plan.

As we previously noted, the Plan Administrator agreed to accelerate the vesting provisions for an employee in connection with the termination of the employment relationship of the employee. The provisions of the Stock Option Plan which are relevant are as follows:

a. Plan Administration. The Plan Administrator is the Board of Directors or a committee of the Board of Directors, in either case, consisting of a majority of disinterested directors. The Plan Administrator has the authority, in its discretion, to determine all matters relating to the derivative securities.

b. Term and Maturity. The Plan provides that the term of each non-qualified stock option shall be as established by the Plan Administrator. The Plan then provides that "unless the condition of this sentence is waived or modified in the agreement evidencing the option or by resolution adopted by the

Mr. Brian J. Lane
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Plan Administrator" the option will be exercisable 20% after one year continuous relationship with the company from the date the option was granted and an additional 1.666% each month completed thereafter.

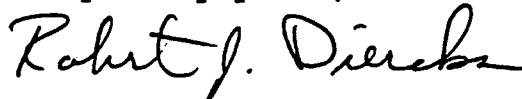
c. Termination of Relationship. The Plan provides that if an employee's relationship with the Company ceases, the employee may exercise that portion of the option "which is exercisable at the time of such cessation". The option shall terminate at the end of a three month period unless "such provision is waived in the agreement evidencing the option or by resolution adopted by the Plan Administrator within 30 days of such cessation".

The actual option issued to the ex-employee incorporates the Plan and states that the option "shall vest and become exercisable according to the terms and conditions of the (Plan) and as follows:" and repeats the normal vesting schedule set forth in the Plan under Term and Maturity.

As our letter of May 28, 1991 noted, in connection with the termination of the employment relationship, the acceleration of the vesting period for a certain number of options was done by a unanimous resolution of the Board of Directors and consequently was made in accordance with the Plan. The corporate resolution provided that "the stock option grants for (employee) shall be accelerated to allow for the immediate vesting of (additional) options". We do not believe that this acceleration of the options vested by a resolution of the Plan Administrator in accordance with the Plan constitutes a new grant of the derivative security. We would appreciate receiving confirmation from the staff in this regard.

Please call the undersigned if you need any further information.

Very truly yours,



Robert J. Diercks

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Enclosure

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