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July 15, 1983

BY HAND


Patrick Sharpe, Esq.
Federal Trade Commission
Premerger Notification Office
6th & Pennsylvania Avenues, N.W.
Washington, D.C. 20530

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FEDERAL TRADE COMMISSION
PREMERGER NOTIFICATION OFFICE

Dear Patrick:

This will confirm our phone conversation today concerning the issue of beneficial ownership for purposes of the definition of "hold" in § 801.1(c) of the Hart-Scott-Rodino rules. Specifically, I asked you whether beneficial ownership would be found in the following situation:

A bank, investment banker, or broker is given a sum of money to invest and manage by one of its clients. Pursuant to the arrangement, the client delegates to the bank, investment banker, or broker, the power: to select the voting securities (among other types of investments) to be purchased, to sell the voting securities when the bank, investment banker, or broker thinks it opportune to do so, and to vote those shares when necessary. The client, however, can revoke these powers. Moreover, the client retains the power to direct the bank, investment banker, or broker to purchase whatever voting securities the client wishes to purchase, to sell whatever voting securities the client has in its account at any time, and to vote the shares in whatever fashion the client wishes. Finally, the client retains the power to override whatever buying, selling or voting decisions the bank, investment banker, or broker wishes to make. The right to obtain the benefit of any increase in value of the voting securities (including dividends) and the risk of loss of value of the voting securities are retained by the client. Of course, the bank, investment banker, or broker will get a fee for managing the client's money (including, conceivably brokerage fees for the buying and selling of the stock).


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Based on these facts, you confirmed that the client, and not the bank, investment banker, or broker would be the beneficial owner of any voting securities purchased for the client's account.

Thank you again for your quick confirmation and cooperation in this matter.

Very truly yours,



