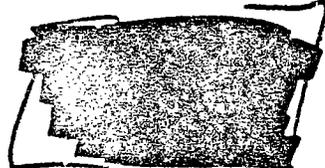
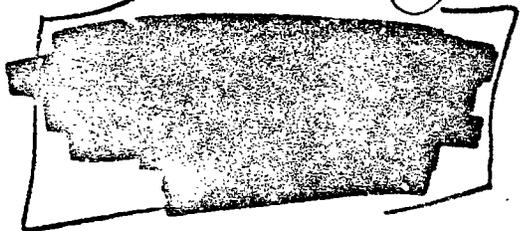


(7)



September 1, 1983

This letter is subject to the conditions of Section 7A of the Freedom of Information Act which restricts disclosure of the

Mr. Patrick Sharpe  
Premerger Notification Office  
Federal Trade Commission  
5th Street & Pennsylvania Avenue  
Washington, D. C.

Dear Mr. Sharpe:

This letter is to confirm our telephone conversations of August 11 and 12, 1983, with respect to the formation by my clients of a series of corporations and joint ventures. In the enclosed chart, which you had before you at the time of our conversations, my clients are the Swedish municipalities and power authorities, and the entities identified as A1, A2, A3, B, C1 and C2. The other side of the transaction involves the entity identified as W, and V, X, Y and Z, all of which are controlled by W. The entities identified as P1 and P2 are unincorporated joint ventures involving participants from both sides of the transaction.

The additional details of the transaction which I supplied in our telephone conversations are as follows:

1. An entity with more than \$100 million in assets may have a greater than 50% interest in A1, and the same may be true (as to different entities) with respect to each of A2 and A3. A1, A2 and A3 will have no shareholders in common. A1, A2 and A3 will each be newly formed Swedish corporations having as their only initial assets approximately \$4 million each in capital contributed by their respective shareholders.
2. A1, A2 and A3 will each own one third of the common stock of B. There is no agreement or contract among A1, A2 and A3 that would give any of them control over B. A1, A2 and A3 will each contribute approximately \$4 million in capital to B, a newly formed U.S. corporation. B will also borrow an additional approximately \$30 million from affiliates of the shareholders of A1, A2 and A3. B will thus have total initial assets of approximately \$42 million.
3. B will form two new U.S. corporations, C1 and C2. B will contribute approximately \$15 million as capital to C1, and

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approximately \$20 million in capital to C2. While these numbers may change, in no circumstance will B have more than \$10 million in assets left after capitalizing C1 and C2 (excluding the value of the stock in C1 and C2 which B holds as a result of the creation of those corporations).

4. C1 will purchase assets from Y for approximately \$26 million, involving cash of approximately \$15 million and a note in favor of Y for approximately \$11 million.

5. C2 will purchase assets from Y and V for approximately \$18 million in cash.

6. C1 will contribute the assets it purchased from Y to P1, and Y will contribute other assets to P1. After its formation, P1 will thus have well over \$10 million in assets.

7. C2 will contribute the assets it purchased from Y and V to P2, and Z will contribute additional assets to P2. After its formation, P2 will thus have well over \$10 million in assets.

8. W, the ultimate parent entity of V, X, Y and Z, has over \$100 million in assets.

Based on the chart, and these additional details, your conclusions were as follows:

1. The formation of A1, A2 and A3 in Sweden does not require any premerger filing, among other possible reasons, for lack of any effect on U.S. domestic or foreign commerce.

2. The formation of B by A1, A2 and A3 does not require any premerger filing (even though one or more of A1, A2 or A3 may be controlled by an entity with over \$100 million in assets) because B, under the Commission's informal interpretation of the statute and regulations, does not have more than \$10 million in assets after B has passed most of the cash it has through to C1 and C2.

3. The acquisitions of assets by C1 from Y and by C2 from V and Z do not require any premerger filings because B is the ultimate parent entity of C1 and C2, and under the informal interpretation described above, B has assets of less than \$10 million. The fact that C1 and C2 each have cash assets in excess of \$10 million which they each use to make their purchases from Y and from V and Z is, under the Commission's informal interpretation, irrelevant.

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4. The formation of P1 by C1 and Y and the formation of P2 by C2 and Z do not require any premerger filings because P1 and P2 are not corporations. *Formation of a partnership*

If I have misstated your analysis or conclusions, or if you believe any relevant information has been omitted, please let me know right away. In the event you cannot reach me, please contact my partner Mason Cargill at 404-394-4400. If we do not hear further from you, we will assume that no filings are required, and will proceed to close the transaction.

Your assistance is appreciated.

Sincerely,

A large, dark, rectangular redaction mark covers the signature area.A small, dark, rectangular redaction mark covers the name of the sender.

cc: R. Mason Cargill, Esq.