

[REDACTED]

(PX)

[REDACTED]

August 3, 1984

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EXPRESS MAIL

Patricia Foster, Esq.  
Federal Trade Commission  
Sixth Street and Pennsylvania  
Avenue, N.W.  
Washington, D.C. 20004

Re: Interpretation of the Premerger  
Notification Requirement of the  
Hart-Scott-Rodino Antitrust  
Improvements Act of 1976

RECEIVED  
AUG 6 3 01 PM '84  
FEDERAL TRADE COMMISSION  
NOTIFICATION  
OFFICE

Dear Ms. Foster:

I am writing to confirm your advice yesterday by telephone as to the applicability of the Premerger Notification requirement of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, with regard to the following scenario:

*Confidential per 879  
that 1/2 = 15-49%  
net 50%*

Company A intends to acquire in private transactions from shareholders X% (X being between 15 and 50) but less than \$15 million of the outstanding voting securities of Company B. Company A has sales or assets in excess of \$100 million and Company B has sales or assets in excess of \$25 million. The stock purchase contract provides that,

*less than 50*

  
Patricia Foster, Esq.  
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*conflicting  
statements*

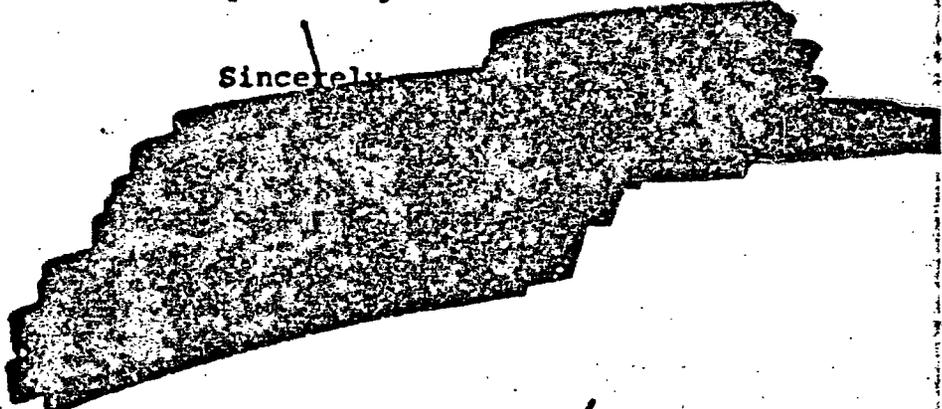
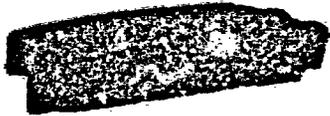
at closing, the present directors of Company B will resign in favor of persons designated by Company A. Thereafter, Company A will have no contractual power to designate a majority of the directors of Company B.

*what is contractual power?*

You informed me that 16 C.F.R. §802.20(b) applies to exempt the transaction from Premerger Notification because, after the consummation of the transaction, Company A will not have control of Company B within the meaning of the Premerger Rules. This is because Company A will have neither 50% or more of the stock of Company B, nor a contractual power to designate a majority of its directors.

Please let me know immediately if this letter does not accord with your understanding of our discussion.

We appreciate very much the time and consideration which you and Mr. Patrick Sharpe have given us in this matter.

Sincerely,  
  


*It appears to me that A will have control at closing. 802.20 does not apply*