



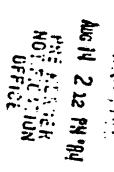
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Federal Trade Commission
Premerger Office
Room 301
Sixth Street and Pennsylvania
Avenue, N.W.
Washington, D.C. 20004

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

Dear Ms. Foster:

I am writing to confirm your advice today 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:

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





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> stock purchase contract provides that, 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.

You informed me that, upon consideration of the Act, the Premerger Notification Rules, the Commission's Statement of Basis and Purpose to the Rules, and my letter to you dated August 9, 1984, the Staff has concluded that 16 C.F.R. §802.20(b) applies to exempt the transaction from Premerger Notification.

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 have given us in this matter.

