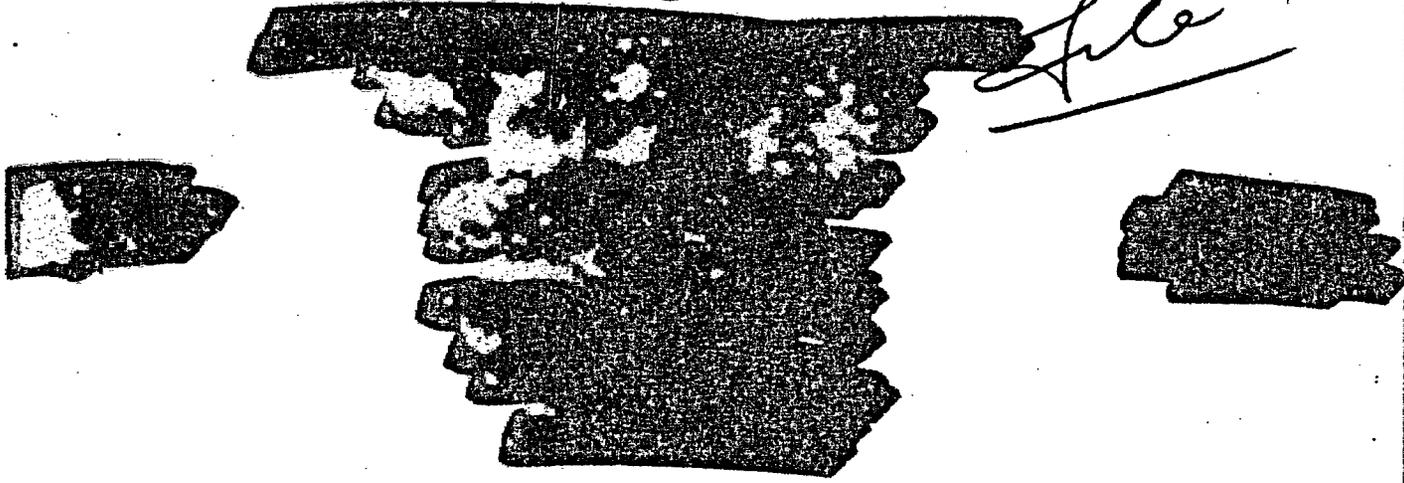


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January 22, 1985

Andrew Scanlon, Esq.
Premerger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
Washington, D.C. 20580

Jan 23 1985

Re: Application of 16 C.F.R. §802.50

Dear Mr. Scanlon:

This will confirm your advice on the telephone today concerning the application of the premerger notification requirements to the transaction set forth below.

Our client is a United States corporation holding less than 15% of the voting stock of a Canadian corporation. Our client wishes to purchase additional stock in the Canadian corporation such that following the acquisition it will hold more than 50% of the voting shares of the Canadian corporation.

Based on the information presently available to our client, it appears that the commerce test, the size of persons test and the size of transaction test set forth in §7A(a) of the Clayton Act would be satisfied by the acquisition. The relevant question is whether the acquisition is exempt from the filing and waiting requirements of the Clayton Act by reason of the exemption found in 16 C.F.R. §802.50.

Our client presently believes that the Canadian company has assets in the United States with a value of less than US \$16,000,000. Our client is not certain at present

This material may be subject to the confidentiality provision of Section 5 of the Clayton Act.



Andrew Scanlon, Esq.

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January 22, 1985

as to whether the Canadian company had sales in or into the United States in its last fiscal year of US \$25,000,000 or more. However, for purposes of this inquiry it is assumed that the Canadian company's U.S. sales amounted to at least US \$25,000,000 in the most recent fiscal year. As I informed you, however, it presently appears that the vast majority of the sales of the Canadian company in or into the United States during its most recent fiscal year were accounted for by a division of the Canadian corporation which was sold by the corporation to a third party during the last fiscal year. Thus, if the sales of that division are ignored, the sales of the Canadian company in or into the United States during its most recent fiscal year would be well below US \$25,000,000.

In our telephone conversation today, I asked you whether the proposed acquisition would be exempt from the filing and waiting requirements of the Clayton Act if our client's understanding of the facts is correct. You indicated that the proposed acquisition would be exempt under 16 C.F.R. §802.50 since our client, a United States corporation, would not "hold, as a result of the acquisition" voting securities of a company that previously had annual sales in or into the United States of US \$25,000,000 or more.

Scanlon
1/23

If I have misstated your advice to me in any way, I would appreciate your advising me immediately so that I can inform our client.

Thank you for your assistance in this matter.

Very truly yours,

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