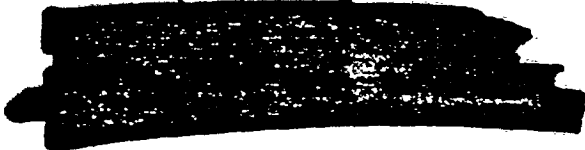


AS

[Handwritten signature]



December 1, 1986

Andrew Scanlon, Esq.
Federal Trade Commission
Bureau of Competition
Room 303
6th Street and Pennsylvania Ave., N.W.
Washington, D.C. 20580

RECEIVED
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FEDERAL TRADE COMMISSION
NOTIFICATION
OFFICE

Dear Mr. Scanlon:

This letter is to confirm my understanding of the informal interpretation I received orally from you on December 1, 1986, under 16 C.F.R. § 803.30, concerning whether a particular transaction is exempt from the premerger filing requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15 U.S.C. § 18(a). The proposed transaction involves the purchase by a U.S. corporation of the following: fifteen percent (15%) of the stock of a United Kingdom corporation, and a royalty right entitling the owner to ten percent (10%) of the U.K. corporation's profits. The U.K. corporation has no assets, operations or sales in the United States. Both the stock and the royalty right are currently owned by a U.S. corporation.

Based upon these facts, your interpretation was that the proposed transaction is exempt from the premerger filing requirements. The stock portion of the proposed transaction is exempt under 16 C.F.R. § 802.50(b) since this is an acquisition of voting securities of a foreign issuer by a U.S. person, and the foreign issuer has no assets or sales in the United States. The royalty portion of the transaction is exempt under 16 C.F.R. § 802.50(a), because this is an acquisition of an asset located outside the United States, to which no sales in or into the United States are attributable. The royalty right is deemed to be located outside the United States because the royalty is based solely on the activities of the U.K. corporation, and is directly related to the purchase of the securities of this corporation.

This material may be subject to the confidentiality provision of Section 7410 of the Clayton Act which restricts release under the Freedom of Information Act

Andrew Scanlon, Esq.
December 1, 1986
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I would appreciate your confirming that under the facts as stated above, my understanding of your interpretation is correct. Please call me at [REDACTED] at your earliest convenience. Thank you very much for your prompt assistance in this matter.

Sincerely,

[REDACTED]

Ky 12/5
almond
Am

[REDACTED]