

7A(c)(8)

[REDACTED]

[REDACTED]

July 7, 1988  
This material will be held  
the confidential  
Section 7A (b)  
which restricts release under the  
Freedom of Information Act

Premerger Notification Office  
Bureau of Competition  
Room 3003  
Federal Trade Commission  
6th Street and Pennsylvania Avenue, N.W.  
Washington, D. C. 20580

Attention: Jeffrey Kaplan, Esq.

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JUL 11 11 30 AM '88

Dear Mr. Kaplan:

In accordance with our telephone conversation on July 7, 1988 and pursuant to Section 803.30 of the Federal Trade Commission's rules implementing Title II of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act"), this letter sets forth information in support of our request for an informal interpretation as to whether the proposed transaction is subject to the applicable notification requirements of the Act.

[REDACTED] is a federal-chartered capital stock savings bank with its principal office in [REDACTED]. It has approximately [REDACTED] million in assets and stockholders' equity of approximately [REDACTED] million. [REDACTED] is a [REDACTED] chartered mutual savings and loan association with its principal office [REDACTED]. It has approximately \$177 million in assets and net worth of approximately \$10 million. The deposits of both institutions are insured by the Federal Savings and Loan Insurance Corporation (the "FSLIC") and the two institutions are subject to its rules and regulations and those of the Federal Home Loan Bank Board (the "FHLBB").

██████████ has adopted a Plan of Holding Company Conversion (the "Plan") and ██████████ and ██████████ have entered into a Reorganization Agreement (the "Agreement"), pursuant to which ██████████ and ██████████ will effect a combination of the two institutions whereby each will become a wholly-owned subsidiary of a multiple savings and loan holding company (the "Holding Company") to be jointly organized by ██████████

In accordance with the Plan and the Agreement, ██████████ will convert from ██████████ mutual savings and loan association to a federal stock savings bank through the adoption of a federal stock charter which will authorize the issuance of capital stock by ██████████ (the "Conversion"). Subscribing members and other purchasers will be issued common stock of the Holding Company (the "Conversion Stock"). The Holding Company, in return for substantially all of the net proceeds from the sale of the Conversion Stock, will be issued the common stock of ██████████

Concurrently with ██████████ Conversion, ██████████ will reorganize into a wholly-owned subsidiary of the Holding Company through a merger with an interim federal savings bank subsidiary of the Holding Company (the "Reorganization"). The current shareholders ██████████ will receive common stock of the Holding Company (or "Exchange Stock") for their shares of ██████████ common stock on a one-for-one basis. Upon the completion of Conversion and the Reorganization (the "Conversion/Reorganization"), ██████████ and ██████████ will each be wholly-owned subsidiaries of the Holding Company and the former shareholders of ██████████ and subscribing members of Citizens and other purchasers will own the common stock of the Holding Company. The Holding Company will have no material assets other than the capital stock of ██████████

Consummation of the proposed combination requires prior approval of certain federal and state agencies. In particular, and relevant to this request, the National Housing Act, also known as the Savings and Loan Holding Company Act, requires prior FSLIC approval before any company may acquire control of one or more savings institutions and become a savings and loan holding company. 12 U.S.C. § 1730a(e)(1)(B). Accordingly, the two institutions and the Holding Company must file certain applications and other materials with the FSLIC and receive its approval before the Conversion/Reorganization can be consummated.

Premeger Notification Office  
July 7, 1988  
Page Three

Even if the proposed Conversion/Reorganization were to meet jurisdictional requirements of the Act, it appears that it would be exempt from the premerger notification requirements under Section 7A(c) of the Act, which exempts:

- (8) transactions which require agency approval under Section 1843 of Title 12, Section 1726 or 1730a(e) of Title 12, or Section 1464 of Title 12, if copies of all information and documentary material filed with any such agency are contemporaneously filed with the Federal Trade Commission and the Assistant Attorney General at least 30 days prior to consummation of the proposed transaction;

Since the proposed transaction requires agency approval under Section 1730a(e) of Title 12, it appears that the Conversion/Reorganization falls clearly within this exemption, however, we would appreciate your review of the proposed transaction and this exemption and your interpretation concerning the same.

Thank you for your assistance in this matter. Please feel free to call me or C. Barton Landess of this office collect if you should have any questions or need any additional information.

Sincerely,

