

7A (c)(10); 802.10

March 1, 1994

VIA MESSENGER

Richard Smith, Esquire
Senior Attorney
Premerger Notification Office
Federal Trade Commission
6th and Pennsylvania Avenues, N.W.
Room 301
Washington, D.C. 20580

Dear Dick:

As we discussed, we represent a company that proposes to complete the following restructuring:

Company A is a large diversified company with assets and revenues in excess of \$100 million. Company A is its own ultimate parent entity, with no person holding more than 5% of the common voting securities of Company A. Company A proposes forming a new company, Company B, initially with Company A holding 1,000 share of common securities of Company B. Company B will then provide all of the common shareholders of Company A with one share of Company B common voting securities in exchange for their shares of Company A common voting securities. Company A will then have canceled its 1,000 share of common voting securities of Company B. After the restructuring, Company B will hold all of the common voting securities of Company A, thereby making it Company's A ultimate parent entity, with Company A continuing to hold the assets and operations that it always held. There will be no additional assets or operations purchased by virtue of this restructuring. Nor will there be any dilution in the holdings of the individual shareholders of Company A when their Company A shares are exchanged for Company B shares.

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Based on the above facts, you indicated to me that this transaction should be exempt from the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, codified at 15 U.S.C. § 18a, under the exemption provided in 16 C.F.R. § 802.10. Indeed, as discussed under the commentary section of ABA Interpretation Nos. 38 and 236, the FTC staff interprets 15 U.S.C. § 18a(c)(10) and 16 C.F.R. § 802.10 to permit acquisitions of the stock of a new shell parent by the shareholders of the existing entity, in the same percentage prior to the transaction, even though the shareholders receive shares of a different issuer.

Please let me know immediately if I have in any way misunderstood the opinion of the FTC Premerger staff in this regards. As always, I truly appreciate your assistance in this matter.

Best regards,



3/3/94 - advised writer that transactions described in this letter would result in no reportable events.

R.B. Smith