

802.10

[REDACTED]

February 24, 1995

VIA TELECOPY

Mr. Patrick Sharp
Federal Trade Commission
6 Street & Pennsylvania Ave., N.W.
Washington, D.C. 20580

Dear Pat:

It was great speaking with you again. As I indicated in our phone call and as you may have read in the papers [REDACTED] is contemplating a demerger (spin off) of 34 of its non-core companies. The attached press release identifies some of the rationale and entities involved. I am also enclosing selected pages from a Form 10 Information Statement which we filed with the SEC on [REDACTED] a "confidential" basis.

These pages include a summary of the transaction together with pages 11-16 which identify all of the steps we are taking to implement the demerger. On page 13, item 6, you will see that certain of the transactions will occur the day after the demerger when [REDACTED] is no longer a member of the [REDACTED]. For purposes of these discussions, assume that both entities meet the size of person test and that the transactions contemplated by step 6 all meet the size of transaction test. Theoretically, this could result in [REDACTED] having to file three or four separate HSR reports.

Since there is no competitive overlap to start with and these transactions are all part of a spin off to our shareholders, there should be no anti-trust concern. However, the technical structure for tax reasons causes me to raise the question as to whether the contemplated spin off will be exempt from any HSR filings or whether there might be a procedure to obtain a no action request or ruling from the Commission concerning this transaction.

The main office has an informal interpretation process

We do not expect the demerger to occur until [REDACTED] so obviously, we have plenty of time to consider what will be required. Many thanks for your consideration of this request.

Sincerely,

[REDACTED SIGNATURE]

This is exempt under 802.10 per a policy decision on by John Sipple - talked to [REDACTED]

4-18-95

Note: The PMN office has made a policy decision (per John Sipple) to exempt the entire transaction under Section 802.10. The demerger or post demerger is the final step in a transaction involving a spin-off and prorata distribution of the stock back to the same shareholders. The equity was divided and the shareholders remain the same - exempt under 802.10.

(65)