

007.10

[REDACTED]

[REDACTED]

[REDACTED]

March 20, 1995

This material may be subject to the confidentiality provisions of Section 74(h) of the Act, but will not be released under the Freedom of Information Act.

BY MESSENGER

Richard Smith, Esq.
Pre-Merger Notification Office
Bureau of Competition, Room 303
Federal Trade Commission
Sixth Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Spin-Off of a Subsidiary

Dear Mr Smith:

This letter serves to confirm our conversation of Friday, March 10, 1995, concerning the extent to which the acquisition of voting stock of a wholly-owned subsidiary pursuant to a spin-off of such subsidiary by its parent corporation is reportable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "Act").

During our conversation you informed me that in November 1994 the Pre-Merger Notification Office reversed its position concerning shares of voting stock acquired as a result of a subsidiary spin-off. As I understand the Pre-Merger Notification Office's current position, where a parent corporation distributes shares of voting stock of a wholly-owned subsidiary to its existing shareholders as a pro rata dividend-in-kind, the acquisition of such shares of voting stock of the subsidiary is exempt from the waiting period and filing obligations under the Act pursuant to the exemption set forth in 16 C.F.R. Section 802.10.

✓


Richard Smith, Esq.
March 20, 1995
Page 2

If I have misunderstood your explanation or have misconstrued the Pre-Merger Notification Office's position, I would appreciate your contacting me as soon as possible.

Very truly yours,



A/D

3/21/95 - Advised writer that his letter represents the present position of the PMO office concerning distribution of the voting stock of wholly-owned subsidiaries by the parent to its (the parent's) shareholders on a pro rata basis.

RTB Smith