

802.10 ; 7A(c)(10)

October 13, 1995

VIA HAND DELIVERY

Mr. Richard B. Smith
Premerger Notification Office
Federal Trade Commission
Room H-323
6th & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Holding Company Formation - Reportability
under the Hart-Scott-Rodino Antitrust
Improvements Act of 1976, 15 U.S.C. § 18a
("HSR Act")

Dear Dick:

This letter is to confirm our telephone conversation of October 3, 1995. In that conversation you advised that the consummation of the following transaction did not require HSR Act filings.

The proposed transaction involves the formation of a holding company. Corporation X's outstanding voting securities are owned 75% by Corporation A and 25% by Corporation B. Corporations A and B propose to form a new company ("Holding Co.") to which each will contribute 100% of the voting securities of Corporation X in exchange for the same number of Holding Co.'s voting securities. No other assets or voting securities will be contributed to Holding Co. at its formation.

It is my understanding that even though A & B will acquire voting securities of a different issuer, the Premerger Notification Office ("PNO") has interpreted 7(a)(c)(10) to exempt transactions such as the one described in this letter.

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Based on the PNO's informal interpretation of 7(a)(c)(10), I will advise my client that it does not need to file an HSR Notification and Report Form in connection with the formation of Holding Co. and the transfer to it of Company X's voting securities. Please advise me promptly if this letter misstates the PNO's position or your advice.

Thank you for your assistance in this matter.

Very truly yours,

10/13/95. Advised writer that it is the view of the PNO office that the transaction described would be exempt under 802.10. Letter 236 in 1991 ABA book notes that creation of a new shell holding company in which former shareholders of earlier issuer will receive shares on same pro rata basis is viewed as exempt under 802.10 by PNO Staff. Facts here seem clearly within our earlier position.

RBS Smith