

802.10 802.30

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FEDERAL TRADE COMMISSION
MERGER NOTIFICATION
OFFICE

November 21, 1995

By Facsimile

Richard B. Smith, Esq.
Room 323
Federal Trade Commission
6th Street and Pennsylvania Avenue
Washington, D.C. 20580

Dear Dick:

This letter will confirm the substance of our discussion this afternoon.

I posited the following facts: B owns 100% of the voting stock of C. B has two classes of voting stock. A holds a majority of each class of B's voting stock, and is thus the ultimate parent entity of B (though A holds a different percentage of each of the classes of B stock).

B proposes to sell part of its business to D. The transaction(s) will take the following form: B will place those of its assets which it does not intend to sell to D within C. It will reconfigure C to provide for two classes of voting stock to precisely mirror its own structure and will then distribute C's voting stock to its current shareholders pro rata. The shareholders will then hold precisely the same voting interest in C as they now hold in B. Finally, B will be merged into D in return for non-voting stock in D which will be distributed pro rata to shareholders of B.

The merger of B into D will be a reportable transaction. I understand that the acquisition of certain of B's assets by C and the distribution of C's voting securities pro rata to B's existing shareholders will be exempt under 16 C.F.R. §802.10 (and, as regards A, under 16 C.F.R. §802.30). If that understanding is incorrect, please give me a call at the above number at your earliest convenience.

Thanks for your assistance.

Sincerely,

[REDACTED SIGNATURE]

11/22/95 - Advised writer that distribution of B's stock by B to B's present shareholders is exempt under our present reading of 802.10. (Distribution of stock to A also exempt under 802.30 as transfer from B to C.)

[Handwritten initials]

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