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801.14
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DATE: March 12, 1998

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TO: Mr. Patrick Sharpe
FTC Premerger Office
202 326-2624

FROM: [REDACTED]

Dear Mr. Sharpe:

Thank you for your helpful comments in our telephone conversations today. I write to confirm the conclusions you provided me based on our initial discussion, your conference thereafter with Dick Smith and our follow-up discussion:

Corporations A and B each own 50% of the voting securities of joint venture corporation C. A, B and C are all foreign persons though that fact, as I understand it, is not relevant to conclusion (1.) below. (1.) A will sell to B its full 50% ownership interest in C. This transaction is exempt under §7A (c)(3) of the Statute. (2.) A will also sell to B certain assets owned by A outside the joint venture corporation. Those assets located in the United States have a value less than \$15 million and are thus exempt under §802.51(c) of the Rules.

Notwithstanding the provisions of §801.15 on aggregation of the purchases of voting securities and assets, the FTC takes the position that control under §7A(c)(3) terminates consideration of all aggregation issues. Therefore, the acquisition of the assets located in the United States can be considered entirely independently of the transaction by which the corporate joint venture terminates in the §7A(c)(3)-exempt transaction described in (1.) above.

concur

In summary, the voting securities transaction and the asset transaction are not to be aggregated in determining whether reporting should occur. Because the assets to be acquired which are located in the United States have a value less than \$15 million (and are, therefore, exempt under §802.51(c) absent aggregation considerations which are inapplicable for the reasons given above), no reporting of this transaction is required.

Does not meet size of transaction test.

Please let me know immediately if my understanding of the HSR reporting issues as expressed here is incorrect.

Best regards,

Sincerely,

called Mr. Hudspeth 3/13/98
I concur with this letter.

[REDACTED SIGNATURE]