

[REDACTED]

L.L.P.

Writer's Direct Dial:

[REDACTED]

[REDACTED]

March 22, 2001

VIA FACSIMILE

Michael Verne  
Federal Trade Commission  
Premerger Office  
Room 314  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

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COMMUNICATIONS SECTION  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Re: Inquiry Concerning § 802.50(b) Exemption

Dear Mike:

I am writing to confirm my understanding of the advice you gave me during our telephone conversation of March 16, 2001, concerning the application of 16 C.F.R. § 802.50(b). Company A is a United States person with (1) assets located in the United States with an aggregate book value in excess of \$15 million and (2) annual sales in the United States of more than \$25 million in its most recent fiscal year. Company B Sub, a wholly-owned subsidiary of Company B, will merge with and into Company A, with Company A surviving as a wholly-owned subsidiary of Company B. In consideration for their Company A voting securities, shareholders of Company A will receive both voting securities in Company B and cash. Company B is a foreign issuer. Before the merger, Company B does not hold assets located in the United States with an aggregate book value in excess of \$15 million and does not make aggregate sales in or into the United States of \$25 million or more.

According to our telephone conversation, it is my understanding that the analysis of whether the 16 C.F.R. § 802.50(b) exemption would apply to the acquisition of Company B securities by Company A stockholders is based on the United States holdings and sales of Company B before the consummation of the transaction. In the case at issue, because premerger Company B does not hold assets located in the United States with an aggregate book value in excess of \$15 million or more, and did not make aggregate sales in or into the United States of \$25 million or more in its most recent fiscal year, the C.F.R. § 802.50(b) exemption

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would apply to the acquisition of Company B voting securities by Company A shareholders in the merger.

Please confirm that my understanding is correct. I can be reached at

[Redacted]

Thank you.

Sincerely,

[Redacted Signature]

[Redacted]

cc:

[Redacted]

AGREE. N. OVUKA CONCURS.

*Michael Verne*

3/22/01

[Redacted]