

802.51
801.40

From: [REDACTED]
To: "mverne@ftc.gov" <mverne@ftc.gov>
Date: 7/18/02 4:18PM
Subject: HSR Query - Interaction Between Rules 801.40 and 802.51

Dear Mr. Verne -

I understand that you may be able to provide me with some informal guidance on the following issue. We represent a group of three non-U.S. entities, A, B and C, each of which is its own UPE. A, B and C wish to form a joint venture, in the form of a newly organized non-U.S. corporation, D. A will contribute to D one of its business segments in the form of assets in exchange for 40% of the voting securities of D. B and C will contribute to D 60% and 40%, respectively, of the voting securities of a non-U.S. entity, E (that is engaged exclusively in the same business as the business segment being contributed by A), in exchange for 40% and 20%, respectively, of the voting securities of D. During its most recent fiscal year, E earned worldwide revenues of approximately U.S.\$324 million, of which U.S.\$1.6 million were from sales in or into the U.S. E's U.S. assets are valued at approximately U.S.\$3.0 million. During A's most recent fiscal year A's business segment had substantially less than U.S.\$50 million in U.S. revenues and substantially less than U.S.\$50 million in assets located in the United States. On the basis of the foregoing, can you please confirm that we can rely on the exemption from notification contained in Rule 802.51(b)?

Kind regards,

[REDACTED]
Tel: [REDACTED]
Fax: [REDACTED]

ADVISED THAT THIS IS EXEMPT UNDER 802.51. SALES INTO THE U.S. & ASSETS IN THE U.S. ARE IMRELEVANT SINCE NONE OF THE PERSONS (FOREIGN) TAKING STOCK OF THE FOREIGN JV ARE RECEIVING A CONTROLLING INTEREST.

B. McClure

7/19/02

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Please refer to << [REDACTED] >> important information on the regulatory position of the firm.