

7A(c)(10)

DIRECT DIAL:
E-mail:



July 16, 2003

2003 JUL 22 P 12:10
FEDERAL TRADE
COMMISSION
PREMERGER NOTIFICATION
OFFICE

Mr. Michael Verne
Premerger Notification Office
Federal Trade Commission
6th Street & Pennsylvania Avenue, NW
Washington, D.C. 20580

Re: Confirmation of Informal Interpretation of the Hart-Scott-Rodino
Antitrust Improvements Act of 1976, as amended (the "Act")

Dear Mr. Verne:

This letter is to confirm our telephone conversation on June 20, 2003 in which we discussed the exemption from the filing requirements under the Act for a transaction in which this firm's client ("Company A") plans to change its legal domicile from one of the United States to a foreign country, which is currently the legal domicile of the client's operating subsidiary ("Company B").

The change in domicile will be accomplished as follows:

(a) Company A will form a new wholly-owned subsidiary ("Company C") under the laws of the foreign country in which Company B is incorporated. Company C in turn will form a new subsidiary ("Company C-1"), which will be incorporated in the same state in the U.S. as Company A. Company C and Company C-1 will both have minimum capital when they are formed.

(b) Pursuant to a merger agreement among Company A, Company B, Company C and Company C-1, Company C-1 will merge with and into Company A, with Company A as the survivor. Upon completion of the merger, each shareholder of Company A other than Company B will receive shares of common stock of Company C on a pro rata basis in accordance with their ownership of shares of stock of Company A. As a result of stock purchases made from time to time in the past, Company B holds a number of shares of Company A's common stock. To eliminate this circular equity ownership, in the merger Company B will receive a subordinated note of Company C in an amount equal to the value of the shares of Company A's common stock held by Company B prior to the merger, which shares will then be cancelled. The shareholders of Company C will own this subordinated note indirectly



Mr. Michael Verne
Premerger Notification Office
Federal Trade Commission
July 16, 2003
Page 2

because the note will be owned by Company B, a wholly-owned subsidiary of Company C.

(c) Following the merger, through a series of subsequent steps, Company B, Company A (as the survivor of its merger with Company C-1) and Company C will all be combined, with Company C as the single surviving legal entity. The subordinated note of Company C received by Company B in the merger described in paragraph (b) above will be cancelled in connection with the combination.

(d) After all steps of the transaction are completed, the percentage interests in the outstanding voting securities of Company C held by its shareholders will be identical to the percentage interests they held in the outstanding voting securities of Company A prior to the transaction.

During our conversation, you agreed that this would not be a reportable transaction, as it falls within the exemption in Section 7A(c)(10) of the Act. You indicated that this transaction should be viewed in the same manner as a reincorporation transaction to change the legal domicile of a company from one state to another state within the U.S., and that such transactions are not reportable by virtue of the Section 7A(c)(10) exemption.

I appreciate your help in confirming the inapplicability of the filing requirements of the Act to this transaction. If I have made any erroneous statements in this letter, I would appreciate it if you would call me immediately at the above direct dial number.

Thanks again.

AGREE.

B. Michael Verne
7/17/03

Very truly yours,
[Redacted Signature]

[Redacted]

[Redacted]