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801.1(0)(3)

803.2

801.1(0)(4)

January 8, 1993

VIA TELECOPY NO. (202) 326-2050

Ms. Nancy Ovuka
Compliance Analyst
Federal Trade Commission
7th Street & Pennsylvania Avenue, N.W.
Room 303
Washington, D.C. 20580

Re: Hart-Scott-Rodino Act Compliance

Dear Ms. Ovuka:

This letter will confirm our telephone conversation on Tuesday, January 5 concerning the matters discussed below.

First, I asked you to confirm our conclusion concerning which entity would be the "ultimate parent entity" for Hart-Scott-Rodino purposes given the following facts. The entity making the acquisition will be one of an affiliated group of corporations, in which A corporation has a number of wholly-owned, direct and indirect subsidiaries. A voting trust (the "Trust") is the record owner of more than 50% of the only class of voting securities of A corporation. Two individuals are the settlors of the Trust and are also the trustees and the sole beneficiaries of the Trust, one with a beneficial interest greater than 50%. The Trust is not revocable, although the Trust agreement does provide that the agreement may be amended by unanimous agreement of the beneficiaries and the trustees. There is no provision for making changes in the trustees, and if one of the trustees dies, the other will continue as the sole trustee. Any dividends or other distributions from A corporation (including liquidating distributions) will be paid to the Trust and then distributed by the Trust to the beneficiaries or their successors and assigns. No dividends or distributions have yet been made. Under state law, the duration of a voting trust agreement must be limited to fifteen years or less, and accordingly, the agreement governing the Trust has a ten year term. However, under the terms of the agreement, the term can be renewed and extended for additional periods of ten years or less and, in fact, the term of the agreement was renewed and extended during 1992 so that the next scheduled expiration date of the Trust is in the year 2002.

dividend through trust to beneficiary

if settlor names itself as beneficiary, the settlor is deemed the holder of the trust's assets

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but not 801.1(c)(4)

as beneficiaries, settlors do have a reversionary interest

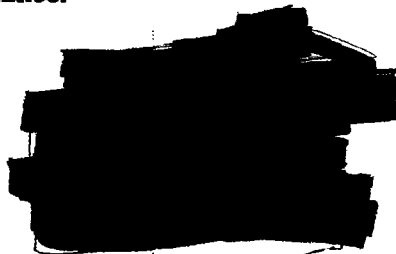
We have concluded that, under § 801.1(c)(3) of the Hart-Scott-Rodino Act rules, the Trust is the ultimate parent entity for Hart-Scott-Rodino purposes because the Trust is irrevocable and the settlors of the Trust do not have a reversionary interest in the Trust within the meaning of § 801.1(c)(3). You stated that you concur with our conclusion. Specifically, you noted that, at the time of consummation of the acquisition, it is expected that the Trust will continue to hold the voting rights to more than 50% of the voting securities of A corporation. You confirmed that the Trust would "hold" these voting securities notwithstanding that, if the Trust were to subsequently expire or terminate, the voting securities held by the Trust would be distributed to the individual beneficiaries.

no

Second, we discussed the Item 9 requirement to report certain acquisitions made during the preceding five years. You stated the FTC's position that the applicable five-year period was that consisting of the last five twelve-month periods preceding the filing, ending on the day before the filing.

If the foregoing does not set forth the substance of our conversation, please contact the undersigned immediately.

Thank you once again for your assistance.



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Under 801.1(c)(4), if settlor retains a reversionary interest, then settlor holds assets of the trust. By naming himself beneficiary, individual who contributed more than 50% has retained a reversionary interest and is UPE of trust. See SPB 7/31/78 at 33459