

§ 7 A (c) (10)

November 21, 1994

VIA FEDERAL EXPRESS

John M. Sipple, Jr., Esq.
Assistant Director
Premerger Notification
Premerger Notification Office
Room 303
Federal Trade Commission
Washington, D.C. 20580

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FEDERAL TRADE COMMISSION

Re: [REDACTED]

Dear Mr. Sipple:

This letter is to confirm the voice message you left for the undersigned on Wednesday, November 9, 1994 in response to the undersigned's letter to you dated October 15, 1994 (the "October 15 Letter") with regard to the above-referenced companies. Capitalized terms used herein and not otherwise defined will have the meaning set forth in the October 15 Letter.

In the October 15 Letter, we requested, on behalf of the [REDACTED] (as defined in the October 15 Letter), an informal interpretation of Section 7A(c)(10) of the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976, as amended (the "Act") and Rule 802.10 promulgated thereunder to the effect that that section and rule exempt from the reporting requirements of the Act a transaction pursuant to which a corporation's stockholders will receive shares of the voting securities of a wholly-owned subsidiary of the corporation such that the stockholders own the same percentage of the voting securities of the subsidiary as they did of the parent corporation.

In your message, you stated that the Federal Trade Commission (the "FTC") has reconsidered its previous position that a spin-off by an issuer of a wholly-owned subsidiary on a pro rata basis is not exempt under Section 7A(c)(10) and Rule 802.10¹,

¹ See Memo from [REDACTED] to John Sipple, dated September 22, 1983.

[REDACTED]

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and would now consider such transactions as being exempt transactions under that section and rule. In addition, you indicated that the Reorganization (as defined in the October 15 Letter) would also be exempt under Section 7A(c)(10) and Rule 802.10 so long as following the Reorganization the stockholders own the same percentage of the voting securities of the subsidiary as they did of the parent corporation (without taking into account the effect of the Settlement Exchange).

If the foregoing does not correctly summarize your message, please contact the undersigned [REDACTED] or, in his absence, [REDACTED]

Thank you for your assistance.

Very truly yours,

[REDACTED]

[REDACTED]

cc [REDACTED]

11/22/94 - The letter correctly reflects the advice given. jms