

Dear Mr. Sharpe:

to Status.

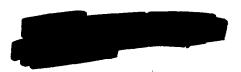
Pursuant to your request, the following is a summary of the facts and issues we discussed yesterday regarding interpretation of Rule 802.51(b)(1) (the "Rule") under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "Act").

The acquiring company is a foreign person that is acquiring all of the voting securities of another foreign issuer (the "Target"). The Target is in the business of throughout the world, Vin the Line Rule Fine United States. The Target does not have a subsidily in the United States, but does lease an office in the state and or leases office equipment and furniture. The principal headquarters and the books and records of the Target are maintained in Europe. The Target has assets reflected on its balance sheet consisting of among others, recoverable on unearned premiums, reinsurance I (collectively, the "Book Assets"), each of which essentially constitutes rights to receive cash presently or at some future date. A portion of the Book Assets are attributable Din the United

Rule 802.51(b)(1) provides that:

[a]n acquisition by a foreign person shall be exempt from the requirements of the act if . . . [t]he

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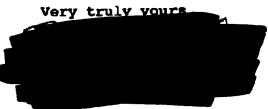


acquisition is of voting securities of a foreign issuer, and will not confer control of . . . an issuer which holds assets located in the United States (other than investment assets, voting or nonvoting securities of another person, and assets included pursuant to \$ 801.40(c)(2)) having an aggregate book value of \$15 million or more.

My questions are as follows:

- Are the Book Assets that are attributable to States "assets located in the United States" within the meaning of the Rule, notwithstanding the fact that the books and records of the Target are maintained in Burope?
- 2. Are the Book Assets essentially equivalent to yes cash positions, and hence "investment assets" within the meaning of Rule 801.1(i)(2) under the Act?

Please contact me if you would find any additional information useful to your analysis of these issues or if you have any questions.



Patrick Sharpe, Esq.

Federal Trade Commission Sixth Street and Pennsylvania Avenue, N.W. (Room 301) Washington, D.C. 20580

since the U.S. assets are liquid assets, that is cash or cash equivalents, then the assets are considered investment assets noted in Section 802.51(b) (1) and the transaction is exempt.

Premerge Practice

276 - 80251(bXI) investment assets Called # 272 - 902.51(bXI)+(b)(2)