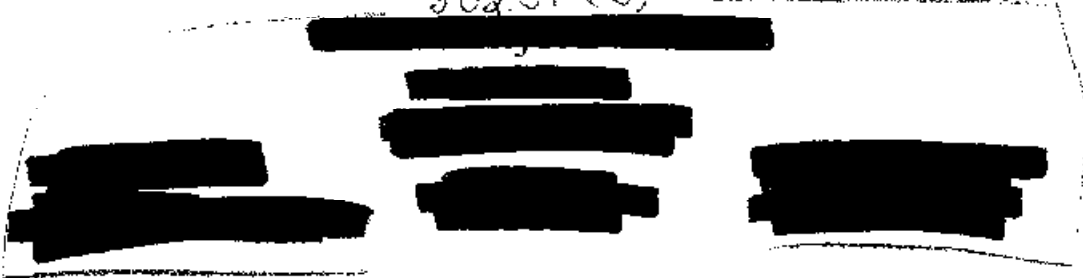


802.51(b)

ca.



June 18, 1998

BY HAND

Richard B. Smith, Esquire
Premerger Notification Office
Federal Trade Commission
Room 303
6th Street & Pennsylvania Avenue, N.W.
Washington, DC 20580

*This material may be subject to the
control of the Freedom of Information
Act.*

Re: Applicability of § 802.51(b) Exemption from
Hart-Scott-Rodino Premerger Notification Filing

Dear Mr. Smith:

This letter is to confirm the advice you provided us in our conversation of June 10, 1998, regarding the exemption set forth at 16 C.F.R. § 802.51(b). To recap the situation we described to you, a foreign person contemplates acquiring less than fifty percent of the voting securities of a foreign issuer. The acquiring person also contemplates entering into a shareholders' agreement pursuant to which it will have the right to name one-half of the Board of Directors of that foreign issuer.

As we noted, Interpretation No. 241 in the ABA Premerger Notification Practice Manual addresses a similar situation in the context of 16 C.F.R. § 802.20(b), with the conclusion that "control ... conferred by a contractual arrangement" does not make a filing necessary if the transaction would otherwise be exempt under that section. As we also noted, the Statement of Basis and Purpose states that the 802.51(b) exemption is intended to be "roughly parallel" to the 802.20 exemption.

Richard B. Smith, Esquire
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Based on those facts, you advised us that if a foreign person acquires less than fifty percent of the voting securities of a foreign issuer, that transaction will be exempt even if the acquiring person simultaneously obtains a contractual right to appoint one-half of the members of the Board of Directors of that foreign issuer pursuant to a shareholders' agreement. You also advised us that this would not be the case if the right to appoint one-half of the directors was endorsed on or otherwise made part of the voting securities acquired, as distinguished from that right being conferred as a matter of contract, separate and distinct from those voting securities.

For your further information, we have been authorized by our client to state that the transaction to which our inquiry related is the proposed acquisition by [REDACTED], a [REDACTED] whose ultimate parent entity is [REDACTED] Corporation, of 49% of the stock of [REDACTED] pursuant to a joint offer with [REDACTED] corporation whose ultimate parent entity is [REDACTED] an [REDACTED]. We understand that [REDACTED] is today filing a notification and report form for its acquisition of 51% of [REDACTED] stock.

Please let us know as soon as possible if the summary of your advice set forth above is incorrect. We can be reached at [REDACTED].

Thank you again for your assistance in clarifying this question for us.

Sincerely,

[REDACTED]
[REDACTED]

6/19/98 Confirmed that no filing would be required with SEC. (Tom Howard's response)
R.B. Smith