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October 15, 1987

John M. Sipple, Jr., Esq.  
Premerger Notification Office  
Bureau of Compliance  
Federal Trade Commission  
Pennsylvania Avenue at 6th Street, N.W.  
Room 396  
Washington, D.C. 20580

I am writing on behalf of [REDACTED] to bring to your attention the violation of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR Act") with respect to the acquisition of [REDACTED]

in the open market. These purchases had a dollar value of [REDACTED] as calculated pursuant to §801.13 of the Premerger Rules. [REDACTED] subsequently sold

\*On July 23, 1987, [REDACTED] a Premerger Notification Form with respect to [REDACTED]

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with [redacted] shares of [redacted] stock. These remaining shares had a dollar value of \$22.4 million. [redacted] did not file a Premerger Notification Form with respect to these purchases of [redacted] voting securities until [redacted] - fifty days after he first exceeded the \$15 million

[redacted] can point to no exemptions which might immunize the purchases of [redacted] voting securities to

[redacted] does not dispute that he controls [redacted] and thus, may not portray [redacted] as a newly formed ultimate parent entity, qualifying for a reporting exemption under § 13(e) of the Securities Act of 1933.

Nor may [redacted] invoke the "investment only" exemption

[redacted] further indicated that the [redacted] were interested in acquiring [redacted] and would like to speak to the company's management about such an acquisition. [redacted] intention to acquire control of [redacted] was [redacted] evidenced on July 22, 1987 when [redacted] filed a Premerger

[redacted] Board of Directors.

\*\*Based on information contained in [redacted]

Premerger Rules.

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an entity 5% owned by [redacted] for the purpose of engaging in a proxy solicitation to replace [redacted] Board of Directors clearly cannot be reconciled with a passive investment intent.

These expressions of [redacted] intent and the actions taken by [redacted] and entities controlled by him are identical to the "range of activities" which the Bureau of Competition listed as "inconsistent with an investment intent" in the oft-cited [redacted] dated August 19, 1982. The letter noted, in particular, that statements made by [redacted] that it might seek control of [redacted] as well as actions taken by [redacted] in preparation for a proxy fight negated claims that acquisitions of voting securities were made solely for the purpose of [redacted]

and have not been more clearly articulated or more visibly enforced than those relating to the investment exemption. [redacted] has had extensive experience with respect to corporate takeovers and has engaged in a variety of HSR Act evasion devices in the past. [redacted] would seriously contend

that some persons might be tempted to engage in evasion devices in order to avoid or delay their premerger notification filings "until they were required by the federal securities laws to announce their acquisition publicly." 52 Fed. Reg. 20060 (May 29, 1987). Accordingly, we request that the HSR Act be promptly enforced and that the maximum monetary penalties under the HSR Act be assessed against [redacted]

Sincerely,  
[redacted]

Director  
Bureau of Competition  
Federal Trade Commission