

100.00 100.00
90.1 Beneficial
ownership of the
underlying shares
has been transferred.
Client advised



July 18, 1989

VIA TELECOPIER

may be subject to
provision of
Act

Federal Trade Commission
Room 303
7th & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Section
which restricts
Freedom of Information Act

Dear Mr. Cohen:

Pursuant to our telephone conversation of July 10, 1989, I am writing on behalf of a client to inquire if a preacquisition notification is required to be filed pursuant to the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended (the "Act"), in light of the following salient facts:

1. Structure of the Transaction. The shareholders of a U.S. corporation with net sales in the most recent year contracted to sell on or about August 7, 1989 all of the outstanding capital stock of Company A, a wholly-owned subsidiary of a publicly-traded corporation organized under the laws of Great Britain ("Company C"). Company C has total assets and net sales which are each substantially stock of Company C is currently owned of record and beneficially

JM
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100

2. Dilution of the Controlling Interest of the Ultimate Parent. In order to finance the proposed acquisition, on contractually binding rights ("rights") to purchase additional

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to be issued by Company C pursuant to a firm commitment

for ~~the purpose of~~ ~~market conditions~~. Company C has previously
sold its entitlement to the Rights allocated to its current

to less than 50% of the then outstanding voting securities of
Company C. Company C is required to "issue" the New Stock by
entering the names of the owners of the Rights onto the stock
register of Company C (it is proposed that it will do so on

the Rights will have no voting or dividend rights until the New
Stock is issued and registered in Company C's books on or about
August 23, 1989, as a practical matter the New Stock can be
treated as outstanding as of August 3, 1989. On August 3, 1989,
the London Stock Exchange will be advised that Company D has had
its interest diluted by the New Stock to less than a 50% position
in Company C. From and after August 3, 1989, the New Stock will
have been fully paid for and the Rights evidencing the New Shares
will trade on the London Stock Exchange at the same price as

Company C stock.

~~1. Right to Elect Directors. Under English law, Directors~~

~~1989 and August 23, 1989. If a shareholders meeting were to
be held during that period and a resolution presented for the~~

~~Company D does not have the power to call a meeting during that~~

words, if Company D submits a request for a shareholders meeting

Company D by convening a meeting on the earliest permissible day

[REDACTED]

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on which a meeting could legally be held (unless shareholders holding 95% of Company C's shares consented to an earlier meeting), that day would be August 23, 1989, at which time [REDACTED] will be legally held either of record or beneficially, more than 50% of Company C's outstanding shares. Company C's directors are not obliged to act in this way, nor does the [REDACTED] suggest any indication exist that they would

5. Questions.

- A. Does the temporary record ownership of 68% of the stock of Company C by Company D between August 7, 1989 and August 23, 1989 require a filing under the Act pursuant to 16 C.F.R. § 801.1(b), on the basis that Company D is the ultimate parent of the acquiror with assets in excess of \$100,000,000?
- B. If a filing would be required under the afore-described circumstances, would a filing still be

questions within the three- or four-day time period which you suggested in our telephone conversation. Please contact me if

Thank you for your assistance in this matter.

Very truly yours,
[REDACTED]