

801.1(a)(2)

WRITER'S DIRECT DIAL NUMBER

December 6, 1989

VIA HAND DELIVERY

Mr. Patrick Sharpe
Premerger Office
Federal Trade Commission
Washington, D.C. 20580

This letter is subject to the public liability provision of Section 14.01 of the Clayton Act which restricts release under the Freedom of Information Act.

Re: 16 CFR 801.01(a)(2) - Exemption of Foreign Governments from "Entity"

Dear Mr. Sharpe:

This is to confirm our telephone conversation of November 29, 1989.

Our client, Company "A," a non-U.S. industrial corporation, is establishing a joint venture for the United States with

Improvements Act.

The issue we discussed on the telephone deals with the determination of "ultimate parent entity" in respect of "A."

1. Facts. Substantially all (more than 90%) of A's outstanding shares are owned by a foreign city, a municipal foreign city holds A's shares in a separate, segregated fund

is earmarked solely for charitable, eleemosynary and public purposes within the city.

2. Conclusion. After consulting with Richard Smith, we concluded that the "ultimate parent entity" in this case is "A" and not the city which owns A. This conclusion is based upon Section 801.1(a)(2) of the Commission's Rules which exempt

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DEC 7 2 56 PM '89
COMMUNICATIONS SECTION

Mr. Patrick Sharpe
Page 2
December 6, 1989

from the definition of the term "entity" any foreign state,
foreign government or agency thereof."

In reporting the contemplated transaction on behalf of A we
intend to rely on the foregoing interpretation of the
Commission's Rules.

Very truly yours,



NMB/slc

9415M

*IF city is municipal corporation, isn't the
incorporation and entity and therefore*

*me
[redacted] called and said she used
the term corporation loosely and that
in fact the city was not a corporation.*