

502.30

[REDACTED]

[REDACTED]

[REDACTED]

December 3, 1990

Mr. Thomas F. Hancock
Premerger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
Washington, D.C. 20580

Section 5
which restricts release under the
Freedom of Information Act

Dear Mr. Hancock:

The purpose of this letter is to confirm our telephone

In No. 147, a corporation (A) had two shareholders, one of which (B) held outstanding voting securities constituting control of A, with the other shareholder (C) holding the minority stock ownership position. A created a new subsidiary (D) and transferred certain assets to it, and then redeemed a portion of B's shares in consideration for transferring all of D's shares to

B. The effect of the transaction was to vest control over A to C without any affirmative action having been taken by C.

Item 147 indicates, according to a 1980 request for interpretation, that the transaction as a whole (and its three component parts) is exempt under Rule 502.30 respecting intra-

apparently was exempt because the issuer was merely acquiring its

In our conversation, you confirmed this remains the position of the staff at the Premerger Notification Office, the criticism in the Commentary to Item No. 147 notwithstanding.

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~~§901.00 which provides that to qualify for the exemption the purpose of avoiding the Act's provisions satisfaction and with~~

behind the transaction, then it would be a sham transaction and the exemption would not be available.

Please let me know in writing whether or not the foregoing accurately and completely reflects our telephone conversation.

appreciate your assistance and please give me a call at [redacted]

[redacted]

[redacted]

[redacted]

Sounds OK
12/7/90
12/7/90
Sounds OK
TFH
TFH