

7A(c)(1); 6802.1(b)

[REDACTED]

August 9 1991

VIA FACSIMILE

Richard B. Smith, Senior Attorney
Premerger Notification Office
Room 303
Bureau of Competition
Federal Trade Commission
Washington, D.C. 20580

This material may be subject to
the confidentiality provision of
Section 7A (h) of the Clayton Act
which restricts release under the
Freedom of Information Act

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Dear Mr. Smith:

This letter will confirm a teleconference of
August 7, 1991, involving you, [REDACTED]

[REDACTED]

reportable as an acquisition of voting securities by the
entity identified below as Party Y).

The transaction in question involves the formation
of a noncorporate joint venture between Party X and Party Y
that would own mining rights (the "reality interests") to

\$500,000 for an option to acquire a 50% interest in the the
joint venture. This option may be exercised within 60 days
for additional consideration. If the option is exercised,
Party Y will receive from Party X a total of \$5 million in
cash (including the \$500,000 option payment) and a number of
shares of Party X's Common Stock that, at the option date,

had a market value of \$10 million.*/ In addition, the agreement that would govern the joint venture would require Party X to spend at least \$5,000,000 over the next 3 years to explore and, if appropriate, develop the property.

For purposes of this letter only, we assume that this transaction might be characterized as an acquisition by Party X of a 50% interest in the realty interests of the joint venture. Based on our conversation, however, we

Notification Office staff's definition of an ordinary course of business transaction, because the deal involves the transfer of realty rights which are not currently

Manual, Interpretations Relating to Section 7A, Paragraph 2, pp. 1-2. Since Section 7A(c)(1) of the Clayton Act exempts ordinary course of business transactions from the

Hart-Scott-Rodino Notification Form as an acquiring person.

If this letter does not correctly reflect our conversation or mischaracterizes the view of the Premerger Notification Office, please contact me immediately. Unless we hear from you, we will advise our client, Party X, to rely on your advice that it has no reporting obligation as a putative acquiring person.

We thank you for your time and assistance on this matter.

Sincerely,

[Redacted signature]

a purchase of real estate, the transaction is also not reportable under the PMN office's view of 7A(c)(1).

acquisition of these shares might constitute a reportable acquisition of voting securities of Party X.