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WRITER'S DIRECT NUMBER:  
[REDACTED]

November 2, 1994

Victor L. Cohen, Esq.  
Federal Trade Commission  
Premerger Notification Office  
600 Pennsylvania Avenue  
Washington, D.C. 20580

Re: Applicability of the Investment Exemption

Dear Mr. Cohen:

The purpose of this letter is to confirm the details of our telephone conversation of October 21, 1994 concerning the applicability of the investment exemption set forth in Section 7A(c)(9) of the Hart-Scott-Rodino Act, 15 U.S.C. § 18a(c)(9).

The circumstances I described to you were as follows: A and B are corporations that, among other things,

own C, another [REDACTED]. A holds approximately 80% of the voting securities of C; B holds the remaining 20% of C. A and B are also co-venturers with a number of other entities in

securities to be received by B will represent approximately 1%

1. Obviously, this acquisition by B is exempt pursuant to Section 7A(c)(9) of the Hart-Scott-Rodino Act.

determination or direction of the basic business decisions of A. B has no director on A's board and does not intend to nominate any such director. B does not intend to solicit proxies from A's stockholders or to propose any corporate action requiring the approval of A's shareholders. In short, B intends to hold the voting securities of A as a passive investor.

I inquired of you whether B's acquisition of the voting securities of A is exempt pursuant to Section 7A(c)(9) of the Hart-Scott-Rodino Act -- the so-called investment exemption. In particular, to the extent that A and B can be

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UNAVAILABLE TO B.

You informed me that a person acquiring voting securities does not lose its entitlement to rely on the investment exemption solely on the ground that the acquiring person is a competitor of the acquired person. Provided the circumstances surrounding B's acquisition of the voting securities of A indicate that B intends to be a passive investor, B should be able to rely on the 7A(c)(9) exemption. In this regard, you noted that the percentage of A's voting securities to be acquired by B is minimal.

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our client accordingly. If this letter does not accurately reflect your advice to me, I would be grateful if you would contact me. Thank you for your assistance.

Sincerely,

