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March 20, 1995

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

BY MESSENGER

Bureau of Competition, Room 305
Federal Trade Commission
Sixth Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Spin-Off of a Subsidiary

Dear Mr Smith:

This letter serves to confirm our conversation of Friday, March 10, 1995, concerning the extent to which the acquisition of voting stock of a wholly-owned subsidiary pursuant to a spin-off of such subsidiary by its parent corporation is reportable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "Act").

During our conversation you informed me that in November 1994 the Pre-

current position, where a parent corporation distributes shares of voting stock of a wholly-owned subsidiary to its existing shareholders as a pro rata dividend-in-kind, the acquisition of such shares of voting stock of the subsidiary is exempt from the waiting period and filing

✓



Richard Smith, Esq.
March 20, 1995
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If I have misunderstood your explanation or have misconstrued the Pre-Merger Notification Office's position, I would appreciate your contacting me as soon as possible.

Very truly yours,



A/D

3/21/95 - Advised writer that his letter represents the
parent position of the PMO office concerning distribution of the voting
stock of wholly-owned subsidiaries by the parent to its (the parent's)
basis

