

802.50(a), 802.50(b)(1); 802.51(a); 802.51(b)(1)

[REDACTED]

March 28, 1996

BY HAND DELIVERY

Richard B. Smith, Esq.
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
Room 323
Washington, D.C. 20580

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COMPLIANCE
PREMERGER NOTIFICATION OFFICE

RE: Franchise Situs

Dear Dick:

The purpose of this letter is to confirm our telephone discussion yesterday regarding the situs of an exclusive franchise for purposes of subsections 802.50(a), 802.50(b)(1), 802.51(a) and 802.51(b)(1). Each of those provisions relates to the exemption of transactions

grantor to do business in a foreign city, is a U.S. asset and a foreign asset in the hands of the

these issues.

The result of our discussion on the situs issue was agreement that, for purposes of the exemption rules noted above, the franchise is to be viewed as an asset located in the geographic area covered by the franchise, i.e., the right or franchise is not an asset in the United States held by the foreign franchisee or licensee.

Please contact me if this letter does not accurately reflect your conclusion on this

1. The (a) Form. Rev. in the U.S.

being stock or asset address [REDACTED] RBS/Smith

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