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[REDACTED]

April 23, 1996

PRE

Division of Section
of the Department of Justice
REC-1000

Alice Villavincencio
Compliance Officer
Federal Trade Commission
Premerger Notification Office
Federal Trade Commission
Washington, D.C. 20580

Re: Formation of Foreign Joint Venture Corporation

Dear Ms. Villavincencio:

Per our telephone conversation earlier today, enclosed is a flow chart of the proposed transaction for which I am trying to determine whether my client, a U.S. corporation, is required to file an HSR Notification and Report Form, and if a filing is required to be made, how to complete various portions of the Report Form.

These are the basic terms of the proposed transaction: My client, the U.S. corporation ("USCorp.") and a corporation [REDACTED] ("GerCorp.") will agree to form a new German corporation ("NewGerCorp."), of which USCorp. will own 80% of the voting securities and GerCorp. will own 20% of the voting securities. GerCorp. will also agree to contribute [REDACTED] NewGerCorp., so that after the transaction is completed, GerSubCorp. will be a wholly-owned subsidiary of NewGerCorp.

used by NewGerCorp. to fund such operations of NewGerCorp.

[REDACTED]

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These are the basic characteristics of the parties:
U.S. Corp. has annual net sales in excess of \$100 million. Once the cash contribution described above is made by GerCorp., NewGerCorp will have total assets of \$10 million or more. GerCorp. has annual net sales of \$10 million or more. Therefore it appears to me that NewGerCorp meets the "size of

The first question I have, however, is whether USCorp is exempt from filing under Section 802 50(b) despite the fact

person (here, GerCorp.) is acquiring voting securities of a foreign issuer (here, NewGerCorp.) and the foreign issuer (NewGerCorp) either (1) has assets in the U.S. of less than \$15 million or (2) made aggregate sales into the U.S. of less than \$25 million in its most recent fiscal year. Neither NewGerCorp.

of GerSubCorp. be attributed to NewGerCorp. in determining whether the exemption in Section 802 50(b) applies?

Yes

filing under section 802.51(b). SECTION 802.51(b) states that an acquisition by a foreign person (GerCorp.) is exempt if the acquisition is of voting securities of a foreign issuer

I would appreciate further guidance from you on the above mentioned questions. If a filing is required by USCorp., I will have additional questions or particular parts of the report to ask. However, I will hold these questions aside until it has been determined that a filing is required.

[Redacted signature block]

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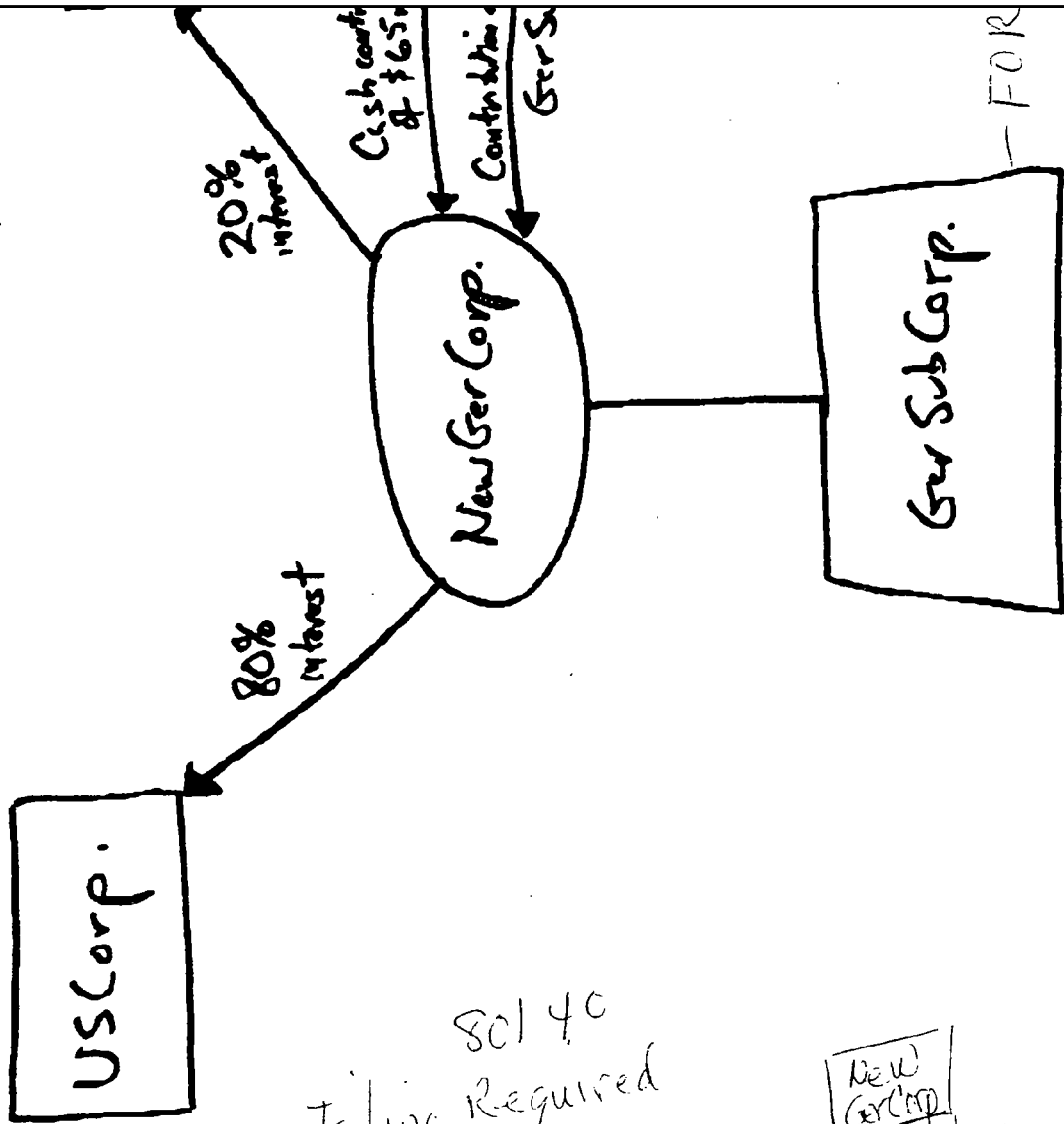
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*US Corp. is
required to file.
Am*

I thank you in advance for your assistance on these issues. I look forward to discussing the foregoing with you at your earliest convenience. Please call me at [REDACTED] after you have completed your review of the enclosed flow chart.

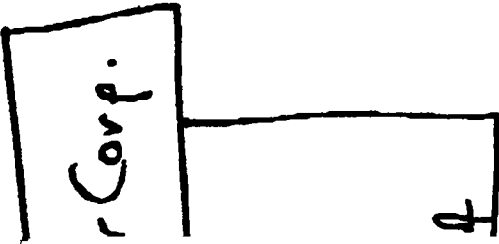
Ve [REDACTED]



Filing Required from US Corp

New Ger Corp
New Ger Corp of US

from filing for 20% of
Corporation exempt under 802.51(b)



- FOREIGN

W/ sales exceeding \$25mm in last fiscal yr.

New Ger Corp.
from Ger Corp.

r Corp.

- FOREIGN