

SULLIVAN & CROMWELL

NEW YORK TELEPHONE: (212) 558-4000
TELEX: 62694 (INTERNATIONAL) 127816 (DOMESTIC)
CABLE ADDRESS: LADYCOURT, NEW YORK

125 Broad Street, New York 10004

250 PARK AVENUE, NEW YORK 10177
1775 PENNSYLVANIA AVE., WASHINGTON, D. C. 20006
8, PLACE VENDÔME, 75001 PARIS
9 IRONMONGER LANE, LONDON EC2V 8EY
140 WILLIAM STREET, MELBOURNE 3000 (ASSOCIATED FIRM)

June 20, 1984

John J. Huber, Esq., Director,
Division of Corporation Finance,
Securities and Exchange Commission,
450 5th Street, N.W.,
Washington, D. C. 20549.

RECEIVED

JUN 21 1984

OFFICE OF THE DIRECTOR
CORPORATION FINANCE

Dear John:

On behalf of the lawyers who visited you on June 12, I would like to thank you and your staff for taking the time to discuss with us areas of mutual interest relating to European offerings not registered under the Securities Act. I hope that you found it as useful as we did.

As we approach the 20th anniversary of Securities Act Release No. 4708 (July 9, 1964!), we believe that it would be very helpful to both broker-dealers and lawyers to have the Commission issue a statement clarifying the applicability of that Release to offers of unregistered securities in the United States to U.S. persons (e.g., banks and investment advisers) acting with investment discretion for persons outside the United States who are not nationals or residents thereof in connection with offerings of the type contemplated by Release No. 4708. In effect, the Commission would be confirming the interpretation of Section 5 of the Securities Act underlying the staff's no enforcement action position in Baer Securities Corporation (Sept. 12, 1979).

We would hope that the interpretation would not be limited to offerees who are registered broker-dealers or investment advisers and see no need to define who is a foreign purchaser. The interpretation might, as the Baer letter does, cover acquisition and custody by the U.S. person for the foreign purchaser.

If you would find it to be of assistance, we would be available to comment on the proposed language of such interpretation in order to avoid any unforeseen problems.

Very truly yours,



William J. Williams, Jr.