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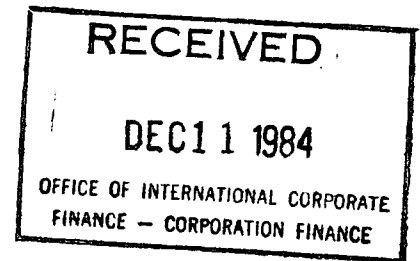
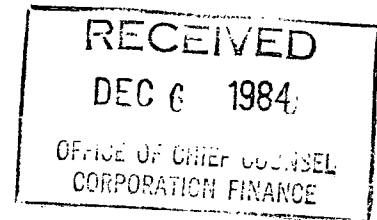
Division of Corporate Finance  
Securities and Exchange Commission  
450 5th Street, N.W.  
Judiciary Plaza  
Washington, D.C. 20549

Attention: William Morley,  
Chief Counsel

Re: First Interstate Bancorp

Dear Sirs:

The purpose of this letter is to request a "no-action" response from the Staff of the Division of Corporate Finance (the "Staff") with respect to a proposed offering of up to \$150,000,000 of bearer notes (the "Notes") having three or six month maturities, to be issued by First Interstate Bancorp (the "Company") without registration under the Securities Act of 1933 (the "1933 Act") and without the qualification of an indenture under the Trust Indenture Act of 1939 (the "1939 Act"). The Notes would be sold pursuant to the terms of a Note Facility Agreement among the Company and several banks (the "Banks"), none of which are United States Persons (as defined below). The sale of the Notes would be subject to certain procedures, described below, which would preclude the reoffer or resale of the Notes within, or to nationals of, the United States.



This letter requests confirmation that the Staff will not recommend enforcement action if (a) offers and sales of the Notes to non-United States Persons, and (b) reoffers and resales thereof to (i) non-United States Persons, (ii) certain United States Persons (organized in corporate form) which hold such Notes as agents or custodians for the benefit of non-United States Persons, and (iii) branches outside the United States of banks organized under the laws of the United States, are made without compliance with the registration requirements of the 1933 Act or the qualification requirements of the 1939 Act.

The Company, the Notes, the Banks and Eligible Purchasers

The Company was incorporated under the laws of the State of Delaware and began operations in 1957. It is a bank holding company, registered with the Board of Governors of the Federal Reserve System, which has 21 subsidiary banks with over 940 banking offices in 11 western States. At September 30, 1984, the Company was the seventh largest banking organization in the United States based on total assets, and it had total assets of approximately \$44.7 billion, total deposits of approximately \$32.4 billion and stockholders' equity of approximately \$2.2 billion. The Company's common stock is listed on the New York and the Pacific Stock Exchanges. The Company is a reporting company under the Securities Exchange Act of 1934.

The Notes will be issued pursuant to commitments by the Banks to purchase such Notes under a Note Facility Agreement. The Company may request the Banks to purchase Notes with aggregate face values of \$15,000,000 or a multiple thereof at any one time. The Notes will have a maturity of three or six months and will be in denominations of either

\$500,000 or \$1,000,000. The Notes shall be in bearer form in compliance with provisions under the Internal Revenue Code.

The Notes will be issued by an Issuing Agent in accordance with the Issuing, Paying and Reference Agency Agreement. Manufacturers Hanover Limited, a non-United States Person, from its office in London, England, will act as Issuing Agent, Paying Agent and Reference Agent under such agreement.

Each of the parties under the Note Facility Agreement which has an obligation to purchase the Notes is a Bank. There are ten Banks, five of which are affiliates or subsidiaries of United States banks and five of which are affiliates or subsidiaries of Japanese banks. Each of the Banks has represented in the Note Facility Agreement that it is not a United States Person. The banks will be represented by Manufacturers Hanover Limited, as Agent.

The purchase price for the Notes and payments of principal and interest on the Notes will be stated and paid in United States Dollars. The purchase price for the Notes will be paid for the account of the Company in New York City. The Notes will be delivered to the Banks at the office of the Issuing Agent in London, England. Interest on the Notes will not be paid separately but will be reflected in a discount factor to be computed in the original purchase price of the Notes. If default interest or any additional amounts in respect of the Notes become payable for any reason, such amounts will be paid to the Agent or for the account of the Banks in London, England.

The Notes may be reoffered and resold by the Banks to three groups of persons only ("Eligible Purchasers"), as follows:

(a) Non-United States Persons (defined below);

(b) United States Persons (organized in corporate form) acting as agents or custodians for non-United States Persons pursuant to specific instructions and without discretionary authority to purchase or hold Notes; and

(c) Foreign branches of banks organized under the laws of the United States, as defined in Section 3(a)(2) of the 1933 Act.

As described more fully below, certain procedures must be followed and conditions satisfied by the Banks in connection with the reoffer or resale of Notes to Eligible Purchasers.

The Company and the Issuing Agent may make use of the United States mails and instrumentalities of interstate commerce to offer the Notes, to receive acceptance and instructions and to confirm sales of Notes. The Banks may also use such facilities in effecting and receiving payment for the Notes. Therefore, use of the jurisdictional means of offering and selling the Notes prescribed by Section 5 of the 1933 Act is assumed to exist.

#### Proposed Offering Procedures

In Release No. 33-4708 dated July 9, 1964 (the "Release"), the Commission stated that it had traditionally taken the position that the registration requirements of the Securities Act are primarily intended to protect American investors, and that accordingly the Commission has not taken any action for failure to register securities of United States corporations distributed abroad to foreign nationals, even though use of jurisdictional means may be involved in

the offering. The Release stated that it was assumed in such situations that the distribution was to be effected in a manner which would result in the securities coming to rest abroad and also indicated that (apart from certain situations not relevant here) registration would not be required so long as the offering is made under certain circumstances reasonably designed to preclude distribution or redistribution within, or to nationals of, the United States.

Procedures to be Followed

The Company believes that the procedures to be followed by the Company, the Agent, the Issuing Agent and the Banks as described below are designed under the circumstances to preclude distribution or redistribution of the Notes within, or to nationals of, the United States. The procedures to be followed in connection with the offering and sale of the Notes will include the following:

1. Limitations on Initial Offer and Sale of Notes and on Delivery of and Payment on Notes

The initial offer and sale of the Notes shall be made exclusively to the Banks. Each of the Banks shall represent that it is not a United States Person and, except as expressly permitted below, that it is not purchasing the Notes for the account of any United States Person. (See "Restrictions on Transferability" below.) A "United States Person" includes citizens, nationals and residents of the United States, including corporations, partnerships, estates or trusts (other than foreign estates or trusts) or other entities organized under the laws of the United States or any State or other political subdivision of the United States. The "United States" includes the territories and possessions of the United States.

The Notes are to be delivered in England. Payment of principal on the Notes will be made in England or elsewhere outside the United States and, absent default, payments of interest also will be made outside the United States as a component of the payment of principal by virtue of the discount factor in the purchase price of the Notes. Any default interest or additional amounts payable on the Notes will also be paid in England or elsewhere outside the United States.

2. Safeguards on Subsequent Transfer of Notes

(a) Restrictions on Transferability.

The Note Facility Agreement, the Notes and related documents contain substantial contractual restrictions on the right of the Banks to subsequently transfer the Notes. Each Bank has agreed not to offer, sell or deliver, directly or indirectly, in the United States or to or for the account of any United States Person any Notes except that a bank may offer, sell and deliver Notes to the following persons provided certain safeguards are taken:

(a) branches located outside the United States of banks organized under the laws of the United States, as defined in Section 3(a)(2) of the 1933 Act ("Foreign Bank Branches"); and

(b) agents or custodians (organized in corporate form) who are United States Persons which represent that they are acting on behalf of non-United States Persons ("Custodians for non-United States Persons").

The Staff has issued "no-action" letters with respect to exemptions from registration of securities under

the 1933 Act and qualification of an indenture under the 1939 Act where securities were to be issued to foreign branches of United States entities, such as the Foreign Bank Branches herein. See, Vizcaya International N.V. (available April 4, 1973) (sale of notes to foreign branch of United States banks); Dresser Industries Canada, Ltd. (available October 31, 1977) (sale of notes to foreign branch of United States bank); Popular Espagnol International N.V. (available December 21, 1972) (sale of notes to foreign branches of United States banks); Ford Motor Credit Company (available July 16, 1975) (sale of securities to Canadian branch of United States insurance companies). As noted in the letter of inquiry of Ford Motor Credit Company cited above, since a subsidiary incorporated abroad of a United States company would not be considered a national of the United States, the mere fact that such United States company organizes its foreign operations as a branch should not matter in substance. This is particularly so where precautions are taken to ensure that securities sold to a foreign branch will not flow back into the United States market such as the precautions taken in connection with the issuance of the Notes as described more fully below.

The Staff has also recognized that sales to United States entities, such as fiduciaries or custodians, holding exclusively for the benefit of non-United States persons would be subject to the same 1933 Act and 1939 Act exemptions. In the transaction described in the Vizcaya International N.V. "no-action" letter referred to above, the offering contemplated sales of notes through United States agents or fiduciaries to persons who were not nationals or residents of the United States, where such agents or fiduciaries confirmed in writing that they were acting pursuant to specific instructions from their respective principals or beneficiaries and without discretionary authority for the

benefit of such persons. The Custodians for non-United States Persons herein are subject to similar limitations. See also, Snyder Oil Co. (available April 20, 1981) where securities were purchased by United States corporations which were wholly owned by foreign investors. In the transactions contemplated by this letter, since the investment decision and economic risk of investment on the Notes by Custodians for non-United States Persons will be made and borne by non-United States Persons, we believe that foreign investors' investments through the United States agents or custodians is consistent with the policy considerations set forth in the Release and in light of the precautions taken on preventing the transfer of the Notes to the United States Persons.

(b) Form of Notice and Agreement.

If a Bank offers, sells or delivers the Notes to any person, the Bank must deliver to the purchaser at or prior to the confirmation of sale, a form of Notice and Agreement whereby the purchaser certifies, represents and warrants by its acceptance of the Notes: that (i) it is not a United States Person, or (ii) it is a Foreign Bank Branch, or (iii) it is a Custodian for a non-United States Person; that it will not offer, sell or deliver the Notes in the United States or to or for the account of any United States Person except a person who certifies, represents and warrants that it is a Foreign Bank Branch or a Custodian for a non-United States Person; and that if it transfers the Notes it must provide the transferee with the same form of Notice and Agreement at or prior to the confirmation of sale thereof.

If the purchaser is a Foreign Bank Branch, the Notice and Agreement additionally contains its certification, representation and warranty that it is a branch located outside the United States of a bank organized under the laws



of the United States, as defined in Section 3(a)(2) of the 1933 Act; that it has had access to such financial information concerning the Company as it deems necessary in connection with its decision to purchase the Notes; and, that it is buying the Notes for its own account and without any view to or for sale in connection with any distribution.

If the purchaser is a Custodian for a non-United States Person, the form of Notice and Agreement additionally contains the certification, representation and warranty of the agent or custodian that it is acting on behalf of a person who is not a United States Person, pursuant to specific instructions and without discretionary authority to purchase or hold Notes, and that it has given its principal a copy of the form of Notice and Agreement. The Custodian for a non-United States Person must also represent that it will comply with information reporting and backup withholding requirements of the United States income tax laws.

(c) Restrictions on Publication.

The Banks have contractually agreed not to issue any offering material or make any public announcements in connection with the purchase, reoffer or resale of any Notes except that a Bank may provide a potential purchaser of the Notes with the Company's Form 10-K, Form 10-Q, annual reports or financial statements and a memorandum in terms as may be approved by the Company concerning the details of the Notes.

(d) Limitation on Participations.

The Banks are prohibited, pursuant to the Note Facility Agreement, to offer or sell participations in any of the Notes to any persons except persons to whom Notes may be offered, sold or delivered as set forth above.

Not  
public.

(e) Payment of Fees.

Each Bank agrees that all of its activities and services for which any fee is payable pursuant to the Note Facility Agreement will be performed outside the United States.

4. Legend on Notes

On the face of the Notes, a boldface legend will appear as follows:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 AND MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS OR TO NATIONALS OR RESIDENTS THEREOF, EXCEPT AS AND AS MORE FULLY SET FORTH ON THE REVERSE HEREOF.

BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER).

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

The reverse side of each Note contains a representation, warranty and agreement by the holder with the Company that: (a) the holder is not, and is not holding the Note for the account of, any United States Person; or (b) that the holder is a Foreign Bank Branch (containing the same representations set forth above which apply to transferees which

are such persons); or (c) the holder is a Custodian of a non-United States Person and that it is acting on behalf of a person who is not a United States Person pursuant to specific instructions and without discretionary authority to purchase or hold the Note (containing the same representations set forth above which apply to transferees which are such persons).

The terms set forth on the reverse side of the Notes also set forth the restrictions on the offer, sale or delivery of the Note to United States Persons except to those set forth in (b) or (c) in the foregoing paragraph. Each Note also provides that the holder will deliver to any purchaser from it of the Note the form of Notice and Agreement required to be given transferees as set forth above.

5. Limitations on Assignment

Pursuant to the Note Facility Agreement, the Banks are prohibited from assigning or transferring all or any part of their rights and obligations thereunder without the prior written consent of the Company (not to be unreasonably withheld) except to a subsidiary, not being a United States Person, of a Bank or its holding company or to any subsidiary, not being a United States Person, of that holding company, or in the case of a transfer of rights only and subject to the limitations set forth above with respect to participations, by way of participation.

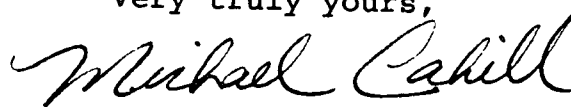
In the light of the foregoing, and assuming that the offer and sale of Notes is conducted in accordance with the foregoing procedures, representations and agreements, we are of the opinion that the offer and sale of the Notes by the Company to the Banks and any reoffer or resale by a Bank to (a) any non-United States Person, (b) Custodians for

non-United States Persons, and (c) Foreign Bank Branches, will not require registration under the 1933 Act or qualification of an indenture under the 1939 Act for the reason that they are to be conducted under conditions and circumstances reasonably designed to preclude distribution or redistribution within, or to nationals of, the United States in accordance with the principles set forth in the Release and several "no-action" letters issued by the Staff in connection therewith.

It is contemplated that the proposed offerings will commence on or about December 31, 1984 and we would appreciate advice as soon as possible whether the Staff concurs in our opinion and whether it would recommend any action to the Commission if, in reliance upon our opinion, the proposed offer and sale of the Notes pursuant to the Note Facility Agreement is made in the manner outlined above without any registration under of the 1933 Act and without qualification of an indenture under the 1939 Act.

If you have any questions in connection with the foregoing, please communicate with Guido R. Henry, Jr. or Michael E. Cahill of this office by telephone, collect at (213) 669-6000.

Very truly yours,



Michael E. Cahill  
for O'MELVENY & MYERS