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120 LONG RIDGE RD., STAMFORD, CONN. 06904

September 22, 1987

LAW DEPARTMENT

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

RECEIVED
SEP 25 1987

PUBLIC AVAILABILITY DATE: 11-20-87
ACT SECTION RULE
1934 16(b) 16b- 3

Dear Sir:

Re: Section 16(b) of Securities Exchange Act of 1934

On behalf of Olin Corporation ("Olin"), we respectfully request your concurrence with certain interpretations of Rule 16b-3 promulgated under the Securities Exchange Act of 1934 (the "1934 Act"), as they relate to proposed amendments ("Amendments"), described below, of (a) the 1980 Stock Option Plan for Key Employees of Olin Corporation and Subsidiaries (the "1980 Plans") and (b) options outstanding under the 1970 Stock Option Plan for Key Employees of Olin Corporation and Subsidiaries (the "1970 Plan"). The 1980 Plan and 1970 Plan are herein collectively referred to as the Plans. No further options may be granted under the 1970 Plan. A copy of the 1980 Plan and the Prospectus relating to the Plans are enclosed.

Olin is a Virginia corporation with its principal executive offices in Stamford, Connecticut. Olin Common Stock is traded on the New York, Midwest and Pacific Stock Exchanges and is registered under Section 12(b) of the 1934 Act.

The 1970 Plan was first approved by the shareholders of Olin on April 30, 1970. The 1980 Plan was first approved by the shareholders of Olin on April 24, 1980. On April 26, 1984 the shareholders of Olin approved amendments to the 1980 Plan and to options outstanding under the 1970 Plan to authorize the Committee of Olin Directors administering the Plans (the "Committee") to permit the delivery of already-owned Olin Common Stock in payment for the exercise price of options. Pursuant to this authority, the Committee on April 26, 1984, authorized such use of Olin Common Stock for all non-qualified stock options previously granted and for all options granted on or after April 26, 1984.

The Amendments will provide optionees with an alternative method of satisfying withholding tax requirements in connection with the exercise of non-qualified stock options under the Plans,

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i.e., permit them to pay such withholding taxes in whole or in part, if they so elect, by delivering to Olin shares of Olin Common Stock of equivalent value. The shares so delivered by an optionee may either be shares withheld by Olin upon the exercise of the stock option or shares already owned by the optionee. It is expected that the Committee will adopt a resolution approving in advance all elections by optionees to have shares withheld on the exercise of non-qualified stock options to satisfy their tax obligation or to deliver already-owned shares but reserving the Committee's right to disapprove any such election. An optionee's election, once made, will be irrevocable.

In order to ensure that the Amendments will comply with Rule 16b-3, the following restrictions will apply to optionees whose transactions in Olin securities are subject to Section 16(b) of the 1934 Act ("Officers"):

- (i) the election of an Officer to pay withholding taxes with Olin Common Stock may not be made within six months of the grant of a stock option (except that this limitation will not apply in the event of the death or disability of the Officer occurring prior to the expiration of the six-month period); and
- (ii) such election must be made either six months or more prior to the date the option exercise becomes taxable (the "Tax Date") or in a 10-day "window period" beginning on the third day following the release of Olin's quarterly or annual earnings statements but in no event later than the Tax Date.

The Tax Date will be the date of exercise of the option unless the Officer does not make an election under Section 83(b) of the Internal Revenue Code, in which case the Tax Date for such Officer will be the date which is six months following the date of exercise of the option. If an Officer has elected to pay his withholding taxes with Olin Common Stock and makes an election under Section 83(b), the proper number of shares of Olin Common Stock will be withheld by Olin on the date of exercise of the option. If the Officer does not make an election under Section 83(b), the Officer will be unconditionally obligated to deliver to Olin the proper number of shares of Olin stock on the Tax Date.

The Amendments will not require that the actual exercise of an option giving rise to the optionee's tax liability occur during the "window period".

The maximum amount of taxes which may be paid by an optionee with shares of Olin Common Stock as described above will be the federal, state and local income taxes applicable to the exercise of a non-qualified option determined by applying either (a) the rate normally applied to the optionee's regular wages by Olin or (b) the minimum rate required by applicable tax regulations for withholding on exercise of non-qualified stock options, such rate to be selected by the optionee at the time of the election to pay withholding taxes with surrendered shares. This will afford the optionee the opportunity to have withheld up to the full amount of the anticipated tax liability which is generally more than the minimum required withholding of 20%.

It is our belief that the Amendments are consistent with amendments made to stock option plans of other companies who have requested and received affirmative responses from the staff on their interpretations of Rule 16b-3 (for example, Primark Corporation - February 23, 1987, and Payless Cashways, Inc. - March 25, 1987). On this basis, we respectfully request your concurrence with our view that:

- (A) Further approval by the shareholders of the Amendments as otherwise contemplated by Rule 16b-3(a)(2) will not be necessary because such transactions are akin to the stock-for-stock transactions which have been previously authorized by the shareholders and do not materially increase the benefits accruing to Officers under the Plan.
- (B) The proposed transactions described above qualify under Rule 16b-3(e) for exemption from Section 16(b) because the elections by Officers will have to be made either (1) on a day during a "window period" or (2) six months or more prior to the Tax Date.

With respect to clause (2) of subparagraph (B) above, although Rule 16b-3(e) does not expressly provide an exemption insofar as an Officer's election to pay withholding taxes with Olin Common Stock may occur outside a "window period", information available to the Officer at the time of such election will be six months old when the election becomes effective. We believe this satisfies the public policy considerations reflected in the six-month period of Section 16(b).

In accordance with Securities Act Release No. 6269, seven additional copies of this letter are enclosed.

In the event that you have questions regarding this request or require additional information, please call me at (203) 356-2690.

Very truly yours,



M. Neisloss, Secretary and
Director, Corporate Law Department

MN/deh

October 20, 1987

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**RESPONSE OF THE OFFICE OF CHIEF COUNSEL
DIVISION OF CORPORATION FINANCE**

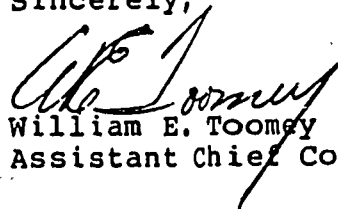
Re: Olin Corporation (the "Company")
Incoming letter dated September 22, 1987

On the basis of the facts presented, it is the view of this Division that:

1. the election of a participant in the Plans to have a portion of the shares of the common stock of the Company otherwise issuable to him withheld in accordance with the proposed amendments to the Plans, to satisfy federal, state and local income tax requirements, is exempt from the operation of Section 16(b) of the Securities Exchange Act of 1934 (the "1934 Act") pursuant to Rule 16b-3(e);
2. the election of a participant in the Plans to deliver shares of the common stock of the Company already owned by him to satisfy federal, state and local income tax requirements in accordance with the proposed amendments to the Plans is exempt from the operation of Section 16(b) of the 1934 Act pursuant to Rule 16b-3(e); and
3. the proposed amendments to the Plans do not have to be approved by the stockholders of the Company pursuant to Rule 16-3(a)(2).

Because these positions are based upon the representations made to the Division in your letter, it should be noted that any different facts or conditions might require a different conclusion.

Sincerely,


William E. Toomey
Assistant Chief Counsel