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Chairman

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February 1, 1988

David Ruder, Esq.
Chairman
Securities and Exchange Commission
450 Fifth Avenue N.W.
Washington, D.C.
U.S.A. 20549

Dear David:

Just a very belated note to thank you for your hospitality on the signing of the Memorandum of Understanding. It was a significant occasion in these very early days of international cooperation, and it was very well handled.

We have established a confident and easy working relationship with Gary Lynch and Michael Mann, and I look forward to fruitful cooperation.

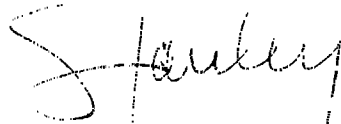
I would hope that the MOU is just the beginning of bilateral agreements between us with respect to international securities matters. I am thinking particularly of multinational offerings and the possibility of some real progress in this area. As you know, the current SEC proposal, which I believe has just been circulated on a confidential basis to the OSC and to the UK, deals only with debt and a share exchange on a take-over bid. I think that we can move beyond that and include at least some equity offerings.

Progress in this area would be particularly important, and I have encouraged our people in Corporate Finance to remain in close contact with Linda Quinn. I do not exclude the possibility of the UK becoming part of such an agreement; indeed, that would be highly desirable. But if that is not possible, I would hope that we can proceed if agreement between us is possible. It is my view that in a number of critical areas, the US and Canada will lead the way with bilateral agreements that will be the model for similar bilateral agreements with other parties, or perhaps multilateral agreements. Your leadership in this area will be crucial, and I can assure you of our utmost cooperation.

I note that you are on the list to attend the special meeting of the OECD Committee on Financial Markets in Paris on February 24. Although I do not relish the thought of a two-day trip to Europe, the meeting looks like it could be rather important, and I plan to attend. I look forward to seeing you there if you have similar plans.

Kindest regards,

Yours sincerely,

A handwritten signature in cursive script that reads "Stanley". The signature is written in dark ink and is positioned above the typed name.

Stanley M. Beck, D.C.
Chairman