

LATHAM & WATKINS

Securities and Exchange Commission
 May 23, 1972
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The parties are willing to modify the note at this time to comply with the condition in subparagraph (B) of paragraph (d)(2). If the note is now fully collateralized in the manner specified in subparagraph (B), we believe that it should be deemed to have been in conformity since inception, in order to eliminate the hardships otherwise imposed on affiliates who structured earlier transactions in good faith. Since the note provides full recourse against the obligor and has never been in default, an interpretation to that effect would not constitute a departure from the concept that the holder should be subject to the full economic risks of investment during the holding period. In any event, the unfairness to the affiliate (who is limited to Rule 144) by reason of the indirect retroactivity noted above should outweigh any such departure which may result from the interpretation requested.

Accordingly, we request an interpretative letter to the effect that a modification of a note to comply with paragraph (d)(2)(B) of the Rule will be effective as of the date of the original transaction for the purposes of that paragraph. We do not object to reasonable limitations on the availability of the requested interpretative position, such as requirements that the transaction was entered into prior to the adoption of Rule 144 and that the note is not in default as to the payment of principal or interest at the time of the modification (or has not been in such default at any time throughout its term).

If the staff concurs in the interpretative position requested, consideration might be given to positions on other related factual situations, including availability of the interpretation to nonaffiliates as well as affiliates and with respect to modifications of promissory notes originally secured by the securities purchased.

I would appreciate the opportunity to discuss this matter with the staff by telephone prior to a written reply to this letter if for any reason the staff does not concur in the interpretative position requested.

Thank you for your attention to this request.

Very truly yours,



George A. Vandeman
 of LATHAM & WATKINS