

2 5 1982

RESPONSE OF THE OFFICE OF CHIEF COUNSEL  
DIVISION OF CORPORATION FINANCE

Re: Film Festival '82

Incoming letters dated February 9, February 25 and April 1, 1982

After consideration of the facts presented, this Division is unable to agree with your view that Rule 147 would be available for the proposed offering by Film Festival. The facts outlined in your letters suggest that Film Festival's principal function will be to raise capital to fund business activities engaged in by the Comworld Group ("Comworld"). Film Festival will perform few, if any, operational activities independently of Comworld, and will be dependent almost entirely on Comworld's efforts to produce any profit on its investment of proceeds. The dependence by Film Festival on Comworld indicates that the two entities should be treated as a single enterprise for purposes of determining the availability of Rule 147 for the proposed offering. When considered as a single enterprise, it is evident that the only active part of that enterprise, Comworld, does not satisfy the "doing business within" requirements of Rule 147(c). Accordingly, we do not believe that Film Festival may rely on Rule 147 for the proposed offering.

Sincerely,



Peter J. Romeo  
Chief Counsel

1933 Act / Rule 147