

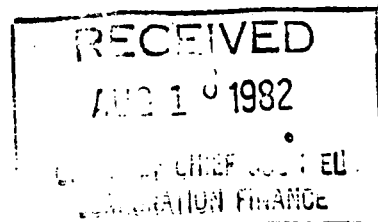
FREDERIC W. COOK & Co., INC.

90 PARK AVENUE NEW YORK, N. Y. 10016 • TEL. (212) 986-6330

August 13, 1982

LAWRENCE C. BICKFORD

Mr. William E. Toomey  
Assistant Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
450 5th Street, N.W.  
Washington, D.C. 20549



Dear Mr. Toomey:

This letter is our second follow-up to an interpretative request submitted to the Division regarding contradictory positions taken by the Staff in interpretative responses dealing with the application of Section 16(b) of the Securities Exchange Act and of Rule 16b-3 to "tax offset SARs". Seven copies of our original correspondence are enclosed for the Staff's convenience.

Our request concerned: (1) the addition of "limited SARs" without shareholder approval where standard, tandem SARs had not previously been available under a plan; and (2) the exercise of tax offset SARs outside of the window periods specified by Rule 16b-3(e). Regarding this latter request item, we have become aware of a subsequent interpretative response (Cone Mills Corporation, available July 21, 1982) by the Staff relating directly to the question we have raised. Although the Martin Marietta Corporation letter (January 7, 1982) is not cited by Cone Mills' counsel, the request for reconsideration of the Staff's earlier position focuses solely on the issue we have raised -- is the tax reimbursement feature of certain stock option grants subject to the "window period" provisions of Rule 16b-3(e)(3)(iii)? The most recent Cone Mills response is consistent, to our knowledge, with all previous Staff responses regarding similar tax offset SAR arrangements, except for the Martin Marietta response which prompted, in part, our January 24, 1982 request. Therefore, in view of the Staff's reaffirmation of its prior position, we again request the Staff's clarification of the divergent position taken in the Martin Marietta letter.

Sincerely,

*Lawrence C. Bickford*

LCB:emg  
Enclosure  
c w/enc.:

Mr. Peter J. Romeo ✓  
Mr. Michael R. Kargula