

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK
23 WALL STREET, NEW YORK, N. Y. 10015

New York March 7, 1983

JOHN W. SPURDLE, JR.
Senior Vice President

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
RECEIVED

Ms. Linda C. Quinn
Associate Director
Corporate Finance Division
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D. C. 20549

MAR 9 1983

OFFICE OF ASSOCIATE DIRECTOR
DIVISION OF CORPORATION FINANCE

Dear Ms. Quinn:

Thank you for your note of March 1. I wanted to respond to you as suggested in the Chairman's letter of February 18 on the "Very Preliminary Outline of the Issue," with a short summary of my views on tender offers and mention of areas of specific interest.

The Outline covers a wide range of topics relevant to the discussion we will be having. In fact, it is hard to come up with material omissions.

Some of the questions are extremely technical, and some like I.C., awfully difficult to answer with any precision in the time the Committee has available to formulate its recommendations.

I think the "Outline" as it stands will be a useful basis for our thinking and would only hope that the more theological questions be kept to a minimum in the interests of time.

My views on tender offers can, I think, be simply stated. Tender offers are a useful alternative method of purchase which should be available to an acquiring company. The market mechanism should be relied on as the major determinant of success or failure, as long as the shareholders of the target company

- a). have sufficient information to decide intelligently;
- and b). have sufficient time in which to make that decision.

Management's interests, on both sides of the transaction can diverge, on occasion, from what might be judged to be in the best interests of both sets of shareholders.

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Is more legislation the answer? At this point, I have more questions than answers on that subject and therefore look forward to the discussions of the Advisory Committee with considerable anticipation.

As a banker, obviously the financing of tenders, their structure and their mechanics are of major interest. We also are a large shareholder for client account so are keenly interested in the effects of both sides of tender activity looked at from a shareholder's perspective.

I too look forward to seeing you on the 18th.

With kind regards,

Sincerely yours,

A handwritten signature in cursive script, appearing to read "John Spudis", with a long horizontal flourish extending to the right.