

**Transcription of October 19, 2000 Telephone call from Anthony Barone of the SEC Staff,
Division of Corporation Finance, Office of International Corporate Finance**

Yes, this is Anthony Barone calling from the SEC getting back to you on your question on Rule 144A. I spoke with Paul Dudek, the Chief here in our Office of International Corporate Finance and our position is that we read very strictly Rule 144A and what entities qualify as qualified institutions or buyers, so there is essentially two parts to the test of 144A subparagraph A: 1) The Asset Requirement. In other words, the entity have at least one hundred million in securities of issues that are not affiliated with the entity, and 2) The Entity Test. That the entity itself be of one of the categories listed in that subparagraph A.

With respect to your question on the state and if the state is purchasing in a capacity for another entity, each entity that is purchasing the securities would have to meet each of the separate tests, the Asset Requirement Test and well as the Entity Test.

To answer your question, the short answer is no, that you couldn't have an office or an individual who is purchasing for one state entity securities under Rule 144A to purchase on behalf of another security, or another entity of the state, 144A securities if that state entity does not meet the Asset Requirement of one hundred million in non affiliated securities. With respect to whether we would welcome an interpretive letter or no-action request on this, we haven't issued any interpretive letters on Rule 144A for several years, so we don't think we would change our position and we feel comfortable in the position we've taken and have been taking for the last several years in strictly interpreting the applicability of qualified institutional buyer and its definition. So in answer to your question whether the Staff would welcome an interpretive letter, the answer is no because the Staff has not been interpreting Rule 144A for the past several years but rather strictly interpreting it as written.

In answer to your second question regarding the qualified plans, whether qualified plans automatically are considered QIBS, that I think as we have stated, there is no reference in Rule 144A to a qualified plan. And again, any plan that your considering would have to meet the two separate requirements of Rule 144A, subparagraph A - in other words, the Asset Test of one hundred million in non affiliated securities as well as the Entity Test. So if it doesn't mechanically fit, or doesn't mechanically satisfy each of those requirements, then we would find that it is not considered and QIB under Rule 144A.

If you have any further questions, or you need to clarify this, you're welcome to call me at (202) 942-1991.