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MEMORANDUM

VIA E-MAIL

DATE: April 26, 1999 **FILE:** 66666666666

TO: Alan Friedman (via Loretta King)

FROM: John S. Warren

RE: Unitary Business Definitions

I am assigned to the Unity of Ownership Subgroup but will not be able to join the teleconference on April 28, so I am writing these thoughts:

In non-combination states, unity of ownership is self-evident. Nothing more needs to be said about it. In combination states, on the other hand, it can raise difficult issues. Some of these issues are:

Is there to be attribution of ownership between or among closely related persons? Compare California's Rain Bird Sprinkler case and North Dakota's True case.

Does ownership imply control? What if there is 50-plus percent ownership but without control (e.g., Southern Peru Copper in ASARCO) or control without 50-plus percent ownership (e.g., California's Rockwell International case)?

Should the Subgroup address issues of this kind?