

FILE NAME: Cape Asbestos (CAPE)

DATE: 1975 Sept 25

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DOCUMENT DESCRIPTION: Letter to NAAC proposing formation of a new subsidiary as a holding company for Cape Industries & UK Subsidiaries for tax purposes [Legal - Tibbs Case Exhibit 66]

Cape Industries Limited



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MMH/SS

Mrs. J. Holtze
Secretary
North American Asbestos Corporation
150 North Wacker Drive
Chicago
Illinois 60606
U.S.A.

SEP 29 1975

25th September 1975

Dear Mrs. Holtze

Overseas Holding Company

We are proposing for tax reasons to form a new wholly owned subsidiary to be called (subject to the Registrar's consent) Cape Industries Overseas Limited, which will act as a holding company for Cape Industries' and its U.K. subsidiaries' shareholdings in overseas subsidiaries and associates. It is important that the new company is incorporated and the transfers of shares completed by not later than 1st December 1975.

In connection with the proposed transfer of Cape's shareholding in NAAC to the new company, would you please advise me as soon as possible whether in the U.S.A.:

- (1) any Exchange Control or other formal consent to the transfer will be necessary.
- (2) any material stamp (transfer) duty or other expense will be incurred.
- (3) any legal or other complications will arise.

Assuming no particular cost or other problems are involved, would you please arrange for any necessary application for consent under (a) to be submitted and for the requisite share transfer form to be sent to me for signature.

I emphasise that the proposed change is being made solely in order to reduce the taxation liability arising in the U.K. and does not affect existing management structures or responsibilities in any way.

Yours sincerely

M.M. House
Secretary

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cc: Dr. R. Gaze
Mr. J.L. Sparkes