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September 2, 2015

Securities Exchange Act of 1934
Rules 13e-4(d)(1), 13e-4(e)(3),
13e-4(f)(1)(ii) and 14e-1(b)

VIA SEC WEBSITE

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Mergers and Acquisitions
100 F Street, N.E.
Washington, DC 20549-3628
Attention: Michele M. Anderson
David L. Orlic

Re: The Dow Chemical Company–Exchange Offer

Ladies and Gentlemen:

We are writing on behalf of our client, The Dow Chemical Company ("TDCC"), a Delaware corporation, in connection with a proposed exchange offer.[1] TDCC and Olin Corporation, a Virginia corporation ("Olin"), have entered into a Merger Agreement (the "Merger Agreement") and a Separation Agreement (the "Separation Agreement") to implement a combination of TDCC's U.S. chlor-alkali and vinyl, global epoxy and global chlorinated organics businesses (the "Dow Chlorine Products Business" or "DCP") with Olin in a "Reverse Morris Trust" transaction (the "Transaction"). As part of the implementation of the Transaction, TDCC expects to commence an exchange offer (the "Exchange Offer") in which it will adopt a pricing mechanism (the "Pricing Mechanism") similar to the pricing mechanisms used by, among others, Weyerhaeuser Company ("Weyerhaeuser") in its exchange offer (the "Weyerhaeuser-Tri Pointe Exchange Offer")[2] with respect to the common stock of Tri Pointe Homes, Inc. (the

[1] Under the Merger Agreement described below, TDCC's board has the option to elect to distribute the stock of Splitco (as defined below) to TDCC's shareholders in either a split-off or a spin-off.
[2] *See Weyerhaeuser Company* (avail. June 26, 2014).

"Weyerhaeuser-Tri Pointe Pricing Mechanism"), PPG Industries, Inc. ("PPG") in its exchange offer (the "PPG Exchange Offer")[3] with respect to the common stock of Georgia Gulf Corporation (the "PPG Pricing Mechanism"), Kraft Foods Inc. ("Kraft") in its exchange offer (the "Kraft Exchange Offer")[4] with respect to the common stock of Ralcorp Holdings, Inc. (the "Kraft Pricing Mechanism"), Bristol-Myers Squibb Company ("Bristol-Myers") in its exchange offer (the "Bristol-Myers Exchange Offer")[5] with respect to the common stock of Mead Johnson Nutrition Company (the "Bristol-Myers Pricing Mechanism"), the Procter & Gamble Company ("P&G") in its exchange offer (the "P&G Exchange Offer")[6] with respect to the shares of The J.M. Smucker Company (the "P&G Pricing Mechanism"), Weyerhaeuser in its exchange offer (the "Weyerhaeuser-Domtar Exchange Offer")[7] with respect to the common stock of Domtar Corporation (the "Weyerhaeuser-Domtar Pricing Mechanism") and McDonald's Corporation in its exchange offer (the "McDonald's-Chipotle Exchange Offer"[8] and together with the Weyerhaeuser-Tri Pointe Exchange Offer, the PPG Exchange Offer, the Kraft Exchange Offer, the Bristol-Myers Exchange Offer, the P&G Exchange Offer and the Weyerhaeuser-Domtar Exchange Offer, the "Similar Exchange Offers") with respect to the Class B Common Stock of Chipotle Mexican Grill, Inc. (the "McDonald's-Chipotle Pricing Mechanism").

We respectfully submit this request that the Staff confirm that it will not recommend that the Commission take enforcement action pursuant to Rules 13e-4(d)(1), 13e-4(e)(3), 13e-4(f)(1)(ii) and 14e-1(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (requiring the specification of consideration offered, specification of the total number of securities sought in the offer and the extension of the offer on a change in consideration, a change in the amount of securities sought, or a change in the percentage of the class of securities being sought) with respect to TDCC's use of the Pricing Mechanism and with respect to TDCC's specification of the number of shares of TDCC common stock sought in the Exchange Offer.

I. BACKGROUND

The parties to and terms of the Transaction are described in more detail in (i) the Prospectus (the "Prospectus") included in Splitco's Registration Statement on Form S-4 and S-1 (File No. 333-204006) filed by Blue Cube Spinco Inc. ("Splitco") on May 8, 2015, as amended by Amendment No. 1 thereto filed on June 22, 2015, Amendment No. 2 thereto filed on July 16, 2015, Amendment No. 3 thereto filed on August 12, 2015 and Amendment No. 4 thereto filed on September 2, 2015, and (ii) Olin's Registration Statement on Form S-4 (No. 333-203990) filed on May 8, 2015, as amended by Amendment No. 1 thereto filed on June 22, 2015, Amendment No. 2 thereto filed on July 16, 2015 Amendment No. 3 thereto filed on August 12, 2015 and Amendment No. 4 thereto filed on September 2, 2015. Set forth below is a description of the parties to and key components of the Transaction.

[3] *See PPG Industries, Inc.* (avail. Dec. 21, 2012).

[4] *See Kraft Foods Inc.* (avail. July 1, 2008).

[5] *See Bristol-Myers Squibb Company* (avail. Nov. 16, 2009).

[6] *See The Procter & Gamble Company* (avail. Oct. 8, 2008).

[7] *See Weyerhaeuser Company* (avail. Feb. 23, 2007).

[8] *See McDonald's Corporation* (avail. Sept. 27, 2006).

A. The Dow Chemical Company

TDCC is a publicly held company organized under the laws of Delaware. TDCC is a well-known seasoned issuer, subject to the information reporting requirements of the Exchange Act. Accordingly, it files with the Securities and Exchange Commission (the "Commission") periodic reports, proxy statements and other information relating to TDCC's business, financial results and other matters. TDCC common stock, par value $2.50 per share (the "TDCC Common Stock") is listed on the New York Stock Exchange (the "NYSE"). Accordingly, TDCC has a class of equity securities registered pursuant to Section 12 of the Exchange Act and thus is considered an issuer for purposes of Rule 13e-4 of the Exchange Act.

B. Olin Corporation

Olin is a publicly held company organized under the laws of Virginia. Olin is a well-known seasoned issuer, subject to the information reporting requirements of the Exchange Act. Accordingly, it files with the Commission periodic reports, proxy statements and other information relating to Olin's business, financial results and other matters. Olin common stock, par value $1 per share (the "Olin Common Stock") is listed on the NYSE.

C. Blue Cube Spinco Inc.

Blue Cube Spinco Inc., or Splitco, was incorporated in March 2015 as a Delaware corporation. Splitco is a newly formed, direct wholly-owned subsidiary of TDCC that was organized specifically for the purpose of effecting the Separation (as defined below). Splitco has engaged in no business activities to date and it has no material assets or liabilities of any kind, other than those incident to its formation and connected with the Transaction.

D. Blue Cube Acquisition Corporation

Blue Cube Acquisition Corporation was formed in March 2015 as a Delaware corporation ("Merger Sub") specifically for the purpose of completing the combination of Splitco with Olin (the "Merger"). Merger Sub was formed by Olin in connection with the Transaction as a wholly owned, direct subsidiary of Olin. Merger Sub has no material assets or liabilities of any kind, other than those incident to its formation and connected with the Transaction.

E. Terms of the Transaction

On the closing date of the Merger, TDCC will distribute (the "Distribution") all of its shares of common stock, par value $0.001 per share, of Splitco (the "Splitco Common Stock") to its participating shareholders in the Exchange Offer. Prior to the Distribution, TDCC will transfer DCP to Splitco or certain newly formed, direct and indirect wholly-owned subsidiaries of TDCC (the "DCP Subsidiaries"). This transfer will include, among other assets and liabilities of DCP, TDCC's equity interest in Dow-Mitsui Chlor-Alkali LLC (the "JV Entity"), a joint venture between TDCC and Mitsui & Co. Texas Chlor-Alkali, Inc. (the "JV Partner"), which, because the JV Partner has exercised its right to transfer its equity interests in the JV Entity to TDCC or

TDCC's designee in connection with the Transactions pursuant to the organizational documents of the JV Entity (such exercise, a "Tag Event"), will constitute 100 percent of the equity interests in the JV Entity. The JV Partner has notified TDCC that it will exercise its rights, therefore a Tag Event will occur. Immediately prior to the Distribution, and on the closing date of the Merger, TDCC will contribute the DCP Subsidiaries to Splitco.

On or about the closing date of the Merger, Olin and Splitco will incur new indebtedness and Splitco will use a portion of the proceeds thereof to pay to TDCC a special payment (the "Special Payment") in cash immediately prior to the Distribution. In addition, immediately prior to the Distribution, Splitco expects to issue to TDCC debt securities of Splitco (the "Splitco Securities") or, at TDCC's election, pay to TDCC as a dividend a specified cash amount. TDCC expects to transfer the Splitco Securities, if issued, on or about the date of the Distribution to investment banks and/or commercial banks in exchange for existing TDCC debt (the "Debt Exchange"). The Splitco Securities are expected to be subsequently sold to third-party investors. TDCC expects to receive approximately $2,030 million from the Special Payment and the Debt Exchange. Splitco expects to incur new indebtedness in the form of debt securities, term loans or a combination thereof to finance cash payments to TDCC.

TDCC is offering to holders of shares of TDCC Common Stock in the Exchange Offer the right to exchange all or a portion of their shares of TDCC Common Stock for shares of Splitco Common Stock, subject to proration in the event of oversubscription. If the Exchange Offer is consummated but is not fully subscribed, TDCC will distribute the remaining shares of Splitco Common Stock on a pro rata basis to TDCC shareholders whose shares of TDCC Common Stock remain outstanding after the consummation of the Exchange Offer. Any TDCC shareholder who validly tenders (and does not properly withdraw) shares of TDCC Common Stock for shares of Splitco Common Stock in the Exchange Offer will waive its rights with respect to such shares to receive, and forfeit any rights to, shares of Splitco Common Stock distributed on a pro rata basis to TDCC shareholders in the event the Exchange Offer is not fully subscribed. If there is a pro rata distribution, the exchange agent will calculate the exact number of shares of Splitco Common Stock not exchanged in the Exchange Offer and to be distributed on a pro rata basis, and the number of shares of Olin Common Stock into which the remaining shares of Splitco Common Stock will be converted in the Merger will be transferred to TDCC shareholders (after giving effect to the consummation of the Exchange Offer) as promptly as practicable thereafter. Immediately after the Distribution and on the closing date of the Merger, Merger Sub will merge with and into Splitco, whereby the separate corporate existence of Merger Sub will cease and Splitco will continue as the surviving company and a wholly-owned subsidiary of Olin. In the Merger, each share of Splitco Common Stock will be converted into the right to receive Olin Common Stock based on the exchange ratio set forth in the Merger Agreement.

F. Merger Consideration

The Merger Agreement provides that, at the effective time of the Merger, each issued and outstanding share of Splitco Common Stock (except any shares of Splitco Common Stock held by Splitco as treasury stock, which will be automatically cancelled) will be automatically converted into a number of shares of Olin Common Stock equal to the exchange ratio in the

Merger Agreement. The exchange ratio in the Merger Agreement is equal to (a) 0.80586207 shares of Olin Common Stock for each share of Splitco Common Stock, if there is no Tag Event, or (b) 0.87482759 shares of Olin Common Stock for each share of Splitco Common Stock, if there is a Tag Event. As mentioned above, a Tag Event will occur, so that the exchange ratio specified in the foregoing clause (b) is applicable. As a result, Olin expects to issue approximately 87.5 million shares of Olin Common Stock in the Merger. The calculation of the merger consideration as set forth in the Merger Agreement is expected to result in Splitco's shareholders immediately prior to the Merger collectively holding approximately 52.7 percent of the outstanding shares of Olin Common Stock immediately following the Merger.

Pursuant to a true up provision in the Merger Agreement, in the event that counsel to TDCC cannot deliver a specified tax opinion because, immediately after the Merger, the percentage of outstanding shares of Olin Common Stock to be received by Splitco shareholders with respect to Splitco Common Stock that was not acquired directly or indirectly pursuant to a plan (or series of related transactions) which includes the Distribution (within the meaning of Section 355(e) of the Internal Revenue Code) would be less than 50.5 percent of all the stock of Olin (determined before any adjustment pursuant to the true-up provision), then the aggregate number of shares of Olin Common Stock into which the shares of Splitco Common Stock will be converted in the Merger will be increased such that the number of shares of Olin Common Stock to be received by Splitco shareholders with respect to such Splitco Common Stock that was not acquired directly or indirectly pursuant to a plan (or series of related transactions) which includes the Distribution (within the meaning of Section 355(e) of the Code) will equal 50.5 percent of all the stock of Olin. If such an increase is necessary solely by reason of any actions taken by TDCC or its affiliates, then the aggregate principal amount of the Splitco Securities (or the amount of the cash dividend payable by Splitco to TDCC in lieu of the Splitco Securities, as the case may be) that Splitco distributes to TDCC pursuant to the Separation Agreement will be reduced as described in the Merger Agreement. Because a Tag Event has occurred, TDCC does not expect that this provision will be operable.

No fractional shares of Olin Common Stock will be issued pursuant to the Merger. All fractional shares of Olin Common Stock that a holder of shares of Splitco Common Stock would otherwise be entitled to receive as a result of the Merger will be aggregated by the Olin's transfer agent, and Olin's transfer agent will cause the whole shares obtained by such aggregation to be sold on behalf of such holders of shares of Splitco Common Stock that would otherwise be entitled to receive such fractional shares of Olin Common Stock in the Merger, in the open market or otherwise, in each case at then-prevailing market prices, as soon as practicable after the Merger. Olin's transfer agent will make available the net proceeds of the sale, after deducting any required withholding taxes and brokerage charges, commissions and transfer taxes, on a pro rata basis, without interest, as soon as practicable following the Merger to the holders of Splitco Common Stock that would otherwise be entitled to receive such fractional shares of Olin Common Stock in the Merger.

The merger consideration and cash in lieu of fractional shares (if any) paid in connection with the Merger will be reduced by any applicable tax withholding.

II. THE EXCHANGE OFFER

TDCC is adopting the Pricing Mechanism described below for the Exchange Offer. Participation in the Exchange Offer is voluntary, and TDCC has not and will not make any recommendation about whether anyone should participate. Directors and officers of TDCC may participate, but the terms of the Exchange Offer do not provide them with any advantage relative to other TDCC shareholders.

As in the Similar Exchange Offers, the Exchange Offer does not set forth a fixed exchange ratio at the outset of the Exchange Offer. Rather, the Exchange Offer price will be expressed as a ratio of a specified dollar value worth of Splitco Common Stock (which will be converted into the right to receive Olin Common Stock in the Merger) for each $1.00 worth of TDCC Common Stock tendered pursuant to the Exchange Offer (subject to the upper limit on the exchange ratio described below). This value relationship will reflect a discount to the estimated value of Olin Common Stock (based on the value of the Olin Common Stock that Splitco Common Stock will be converted into the right to receive) in order to encourage participation in the Exchange Offer.

For example, if the discount were set at 10 percent, TDCC shareholders would receive approximately $1.11 of Splitco Common Stock for each $1.00 of TDCC Common Stock. As described above, in the Merger, each share of Splitco Common Stock will be converted into the right to receive 0.87482759 shares of Olin Common Stock. If the calculated per-share value of TDCC Common Stock was $50.00 and the calculated per-share value of Olin Common Stock was $30.00, then (1) the calculated per-share value of Splitco Common Stock would be $26.24 (calculated as 0.87482759 multiplied by $30.00), and (2) a tendering TDCC shareholder would receive approximately 2.117 shares of Splitco Common Stock (calculated as $50.00 divided by 90 percent of $26.24), which would immediately be converted into the right to receive approximately 1.852 shares of Olin Common Stock.

Consistent with the Similar Exchange Offers (other than the McDonald's-Chipotle Exchange Offer),[9] the exchange ratio for the Exchange Offer will be determined based upon volume-weighted average pricing on the NYSE for the last three trading days of the offer period. Specifically, the calculated per-share value of TDCC Common Stock for purposes of the Exchange Offer will equal the simple arithmetic average of the daily VWAP (as described below) of a share of TDCC Common Stock on the NYSE on each of the Valuation Dates (as described below). The calculated per-share value of Olin Common Stock for purposes of the Exchange Offer will equal the simple arithmetic average of the daily VWAP of a share of Olin Common Stock on the NYSE on each of the Valuation Dates. The calculated per-share value of Splitco Common Stock for purposes of the Exchange Offer will equal the calculated per-share value of Olin Common Stock multiplied by 0.87482759, which is the number of shares of Olin Common Stock to be received for each share of Splitco Common Stock in the Merger.[10]

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[9] The calculated per-share values for McDonald's common stock and Chipotle class A common stock was determined based upon volume-weighted average pricing of each stock over a two-day period.

[10] If a market disruption event (as defined in the Prospectus) occurs with respect to TDCC Common Stock or Olin Common Stock on any of the Valuation Dates, the calculated per-share value of TDCC Common Stock, Olin

The "Valuation Dates" will be the last three trading days of the Exchange Offer (not including the expiration date), as it may be voluntarily extended, but not including the last two trading days that are part of any Mandatory Extension (described below).

The "daily VWAP" for TDCC Common Stock and for Olin Common Stock will be the daily volume-weighted average price of a share of TDCC Common Stock and Olin Common Stock, respectively, on the NYSE as reported to TDCC by Bloomberg Finance L.P. and displayed under the heading Bloomberg VWAP on Bloomberg page "DOW UN <Equity>VAP," in the case of TDCC Common Stock and "OLN UN<Equity>VAP," in the case of Olin Common Stock.

TDCC believes that a three-day VWAP-based pricing mechanism offers shareholders a reasonable balance between the objectives of providing the most current pricing practicable while reducing price distortions that could occur if prices were established at a single point in time. Such distortions could increase the likelihood of the upper limit being in effect, resulting in a Mandatory Extension (as described below) or the need to amend and extend the Exchange Offer to change the price due to changes in the relative trading prices of TDCC and Olin Common Stock after the commencement of the Exchange Offer. Either of these would delay the consummation of the Merger and the distribution of Olin Common Stock to tendering TDCC shareholders. Additionally, at present there is no public trading market for Splitco Common Stock; therefore the Pricing Mechanism allows for a market trading-based method to value the Splitco Common Stock and the combined Olin/Splitco company.

In light of the Pricing Mechanism that has been adopted in the Exchange Offer, the Prospectus does not disclose a fixed number of shares of TDCC Common Stock that will be accepted for exchange. Rather, the Prospectus discloses the manner in which the number of shares of TDCC Common Stock to be accepted will be determined. Prior to the Distribution, Splitco will issue to TDCC a number of shares of Splitco Common Stock such that the total number of shares of Splitco Common Stock outstanding immediately prior to the Merger (and available for exchange) will be 100,000,000. As is noted in the Prospectus, the number of shares of the TDCC Common Stock that will be accepted if the Exchange Offer is completed will depend on (a) the final exchange ratio and (b) the number of shares of the TDCC Common Stock tendered. The Prospectus clearly details these terms, including that (1) if the Exchange Offer is consummated but fewer than all of the issued and outstanding shares of Splitco Common Stock are exchanged because insufficient shares of TDCC Common Stock have been tendered for the Exchange Offer to be fully subscribed, the remaining shares of Splitco Common Stock owned by TDCC will be distributed on a pro rata basis to TDCC shareholders whose shares of TDCC Common Stock remain outstanding after the consummation of the Exchange Offer and (2) if, upon the expiration of the Exchange Offer, TDCC shareholders have validly tendered more shares of TDCC Common Stock than TDCC is able to accept for exchange, TDCC will accept

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Common Stock and Splitco Common Stock will be determined using the daily VWAP of a share of TDCC Common Stock and a share of Olin Common Stock on the preceding trading day or days, as the case may be, on which no market disruption event occurred with respect to both TDCC Common Stock and Olin Common Stock, but the other aspects of the Pricing Mechanism will be unchanged.

for exchange the shares of TDCC Common Stock validly tendered and not withdrawn on a pro rata basis, other than with respect to certain odd-lot tenders as described elsewhere in this letter. Therefore, in the Exchange Offer, TDCC will accept for exchange all shares of TDCC Common Stock validly tendered and not properly withdrawn prior to the expiration of the Exchange Offer, at the exchange ratio to be determined in accordance with the Pricing Mechanism, but subject to proration as discussed in more detail below.

The maximum number of shares of Splitco Common Stock receivable for each tendered share of TDCC Common Stock will be subject to an upper limit expressed as a fixed ratio that will be calculated to correspond to a percentage discount in the value of Olin Common Stock, relative to TDCC Common Stock, based on the averages of the daily VWAPs of a share of TDCC Common Stock and a share of Olin Common Stock on three trading days prior to commencement of the Exchange Offer. This upper limit, which will be established prior to the commencement of the Exchange offer and set forth in the Prospectus, is intended to ensure that an unusual or unexpected drop in the trading price of the Olin Common Stock, relative to the trading price of the TDCC Common Stock, will not result in an unduly high number of shares of Splitco Common Stock being exchanged for each share of the TDCC Common Stock accepted in the Exchange Offer, preventing a situation that might significantly reduce the benefits of the Exchange Offer to TDCC and its continuing shareholders due to a smaller number of outstanding shares being acquired by TDCC in the Exchange Offer. TDCC has a share buyback program designed to return capital to shareholders, reduce average share count and increase earnings per share. The split-off structure allows TDCC to reduce share count and increase earnings per share using Splitco Common Stock in the Exchange Offer instead of cash, and the upper limit is designed to set a minimum level of shares that will be repurchased by TDCC.

If the upper limit is in effect at the close of trading on the last trading day prior to the expiration date, the final exchange ratio will be fixed at the upper limit and the Exchange Offer will be extended (a "Mandatory Extension") until 8:00 a.m., New York City time, on the day after the second trading day following the last trading day prior to the originally contemplated expiration date to permit TDCC shareholders to tender or withdraw their TDCC Common Stock during that period. No later than 4:30 p.m. on the last trading day prior to the expiration date (prior to giving effect to the Mandatory Extension), TDCC will issue a press release to announce whether the upper limit is in effect and, if so, the extension of the Exchange Offer period, and will also place this announcement on the website described below.

TDCC determined not to include any lower limit or minimum exchange ratio (i.e., a minimum number of shares of Splitco Common Stock for each share of TDCC Common Stock) because, were such a limit in effect, it would provide tendering TDCC shareholders with a return in excess of the specified discount discussed above, which could potentially unduly harm non-tendering TDCC shareholders. TDCC believes that not including a lower limit or minimum exchange ratio is not detrimental to its shareholders, and this approach is consistent with the pricing mechanisms in the Similar Exchange Offers.

If, upon the expiration of the Exchange Offer, TDCC shareholders have validly tendered and not properly withdrawn more shares of TDCC Common Stock than TDCC is able to accept for exchange, TDCC will accept for exchange the shares of TDCC Common Stock validly tendered and not withdrawn by each tendering shareholder on a pro rata basis, other than with respect to odd-lot tenders as described below. TDCC will first calculate a "Proration Factor" equal to (i) the total number of shares of TDCC common stock that TDCC is able to accept (taking into account the final exchange ratio and the 100,000,000 shares of Splitco Common Stock that will be owned by TDCC) divided by (ii) the total number of shares of TDCC Common Stock validly tendered and not withdrawn, with both figures (i) and (ii) being adjusted for odd lot tenders that are not subject to proration. The Proration Factor will then be applied to each TDCC shareholder with respect to the total number of shares of TDCC Common Stock validly tendered by such shareholder pursuant to the Exchange Offer and not withdrawn, except for holders of fewer than 100 shares of TDCC Common Stock who validly tender all of their shares and elect not to be subject to proration. The final proration will be adjusted as necessary to ensure the exchange of all shares of Splitco Common Stock owned by TDCC.

TDCC believes that the trading prices for the Olin Common Stock multiplied by the exchange ratio for the Merger are an appropriate proxy for trading prices of Splitco Common Stock, because (a) prior to the Distribution, Splitco will issue to TDCC a number of shares of Splitco Common Stock such that the total number of shares of Splitco Common Stock outstanding immediately prior to the Merger will be 100,000,000; (b) in the Merger, each share of Splitco Common Stock will be converted into the right to receive 0.87482759 shares of Olin Common Stock for each share of Splitco Common Stock; and (c) at the Valuation Dates, it is expected that all the major conditions to the consummation of the Merger will have been satisfied and the Merger will be expected to be consummated shortly, such that investors should be expected to be valuing Olin common stock based on the expected value of such Olin Common Stock after the Merger. TDCC's financial advisors have also advised TDCC that it is reasonable to use the public trading prices for the Olin Common Stock prior to the Merger as an appropriate representation for how the securities markets are valuing the Splitco Common Stock, taking into account the Exchange Offer and the Merger.

The Pricing Mechanism is disclosed in the Prospectus and will be constant throughout the Exchange Offer. Any change in the Pricing Mechanism (including in the upper limit described above) will be made no later than ten business days before the Exchange Offer's expiration and would be published by TDCC on the website described below and in a press release, which press release would also be included in an amendment to TDCC's tender offer statement on Schedule TO (the "Schedule TO") to be filed in connection with the Exchange Offer.

To make pricing information available to the general public during the Exchange Offer, TDCC intends to maintain a website and publish pricing-related information as follows:[11]

- From the commencement of the Exchange Offer, the daily VWAPs for TDCC Common Stock and Olin Common Stock will be made available on the website.
- From the second trading day after the commencement of the Exchange Offer, and each day thereafter prior to the Valuation Dates, calculated per-share values for the TDCC

[11] TDCC will file with the Commission under Rule 425 of the Securities Act information derived from screenshots of the website each time that the information changes.

Common Stock, Olin Common Stock and Splitco Common Stock and the indicative exchange ratio will be made available on the website no later than 4:30 p.m., New York City time, in each case calculated as though that day were the third Valuation Date. In other words, assuming that a given day is a trading day, the calculated per-share values and exchange ratio that will be made available that afternoon will be based on the simple arithmetic average of the daily VWAP for that day and the immediately preceding two trading days.

- During the Valuation Dates, the indicative exchange ratio for the exchange offer, which indicative exchange ratio estimates the final exchange ratio and will be provided to stockholders as set forth below, will be based on calculated per-share values using cumulative actual trading data. Thus, on the third trading day prior to the originally contemplated expiration of the Exchange Offer (the first Valuation Date), the actual daily volume-weighted average prices during the elapsed portion of the first Valuation Date will be used in the calculations; on the second trading day prior to the originally contemplated expiration of the Exchange Offer (the second Valuation Date), the calculations will use the simple arithmetic average of the daily VWAP for the first Valuation Date and the actual daily volume-weighted average prices during the elapsed portion of the second Valuation Date; and, on last trading day prior to the originally contemplated expiration of the Exchange Offer (the final Valuation Date) , the calculations will use the simple arithmetic average of the daily VWAP for the first Valuation Date, the daily VWAP for the second Valuation Date and the actual daily volume-weighted average prices during the elapsed portion of the final Valuation Date.

- During the Valuation Dates, calculated per-share values and indicative exchange ratio will be updated on the website at 10:30 a.m., 1:30 p.m. and 4:30 p.m., New York City time.[12]

- The information agent for the Exchange Offer will also be able to provide the above data via a toll-free telephone number disclosed in the Prospectus on each day of the Exchange Offer period.

- The final exchange ratio (including an announcement about the extension of the Exchange Offer period, if the upper limit on the exchange ratio described above is in effect) will be published by TDCC on the website and in a press release no later than 4:30 p.m., New York City time, on the final Valuation Date, and that information and the press release will also be included in an amendment to TDCC's Schedule TO filed that day.

Withdrawal rights will be available through the Exchange Offer period. Since the offer will terminate at 8:00 a.m., New York City time, on the morning of the trading day following the

[12] While the VWAP information, calculated per-share values and indicative exchange ratio will be updated at 10:30 a.m., 1:30 p.m. and no later than 4:30 p.m., New York City time during the Valuation Dates, the information provided on the website will reflect a 20-minute delay in the reported pricing information due to restrictions on the publication of real-time price and volume data.

final trading day of the Exchange Offer[13] (provided, that, if the upper limit is in effect, the offer will terminate at 8:00 a.m., New York City time, on the day after the second trading day following the last trading day prior to the originally contemplated expiration date), holders of TDCC Common Stock will have an opportunity for last-minute tenders and withdrawals. In this regard, we note the following:

- Investors who are unable to timely deliver an original letter of transmittal and any necessary accompanying documentation will still be able to tender their shares by faxing a notice of guaranteed delivery to the exchange agent by 8:00 am, New York City time on the expiration date. If investors hold their shares through a broker, dealer, commercial bank or similar institution, that institution must deliver the notice of guaranteed delivery on the investor's behalf.

- The Depository Trust Company ("DTC") remains open until 5:00 p.m., New York City time, enabling holders of the TDCC Common Stock to withdraw or tender their shares in that system for at least one half hour after the final exchange ratio is published as described above.

- Investors will be able to fax (through their brokers or similar institutions if they do not hold their shares directly) notices of withdrawal to the exchange agent, which will reflect all of those withdrawals either on its system or on DTC's system when DTC's system reopens the following morning.

- TDCC will make available a notice of guaranteed delivery and a notice of withdrawal to holders of shares of TDCC Common Stock both in printed materials and via the website, and the procedures for tendering and withdrawal are explained in the Prospectus, including the times and methods by which tenders and withdrawals must be made.

Even without these procedures, holders of the TDCC Common Stock will at all times from the start of the Exchange Offer know the value offered for each share of TDCC Common Stock. They will also have free and ready access to information during the three-day pricing period that should enable them to make informed decisions about their participation in the Exchange Offer. Moreover, if the final exchange ratio is subject to the upper limit on the exchange ratio described above, investors will have two additional trading days during which to tender or withdraw their shares of TDCC Common Stock.

III. DISCUSSION

We respectfully request on behalf of TDCC that the Staff confirms that it will not recommend that the Commission take enforcement action pursuant to Rules 13e-4(d)(1), 13e-4(e)(3), 13e-4(f)(1)(ii) and 14e-1(b) under the Exchange Act (requiring the specification of consideration offered, specification of the total number of securities sought in the offer and the extension of the exchange offer on a change in consideration, a change in the amount of

[13] The Exchange Offer will remain open for at least 20 business days.

securities sought, or a change in the percentage of the class of securities being sought) with respect to TDCC's use of the Pricing Mechanism as described above and with respect to TDCC's specification of the number of shares of TDCC common stock sought in the Exchange Offer in the manner described in this letter. We believe that the Pricing Mechanism is consistent with the protection of investors because it results in a fixed, constant dollar value exchange (subject to the limit on the exchange ratio described above) and provides greater certainty about the ultimate return to investors and absolute certainty about the maximum number of shares of Splitco Common Stock receivable per share of the TDCC Common Stock tendered. This approach is the consistent with the Similar Exchange Offers, which build on other traditionally available pricing structures, including formula-based and "Dutch auction" structures previously approved by the Staff, and provides investors with advantages not available in those offers.

A. <u>Fixed Exchange Ratios</u>

The Pricing Mechanism allows investors to better predict the value they will receive in the Exchange Offer than would an offer using the traditional pricing method of a fixed exchange ratio. In fixed ratio offers, the return to investors depends on the value at offer expiration of both what is offered and what is tendered. These values fluctuate independently and without constraint during the offer period, and an investor only realizes the actual discount or premium initially embedded in the exchange ratio if the prices underlying the stocks at the expiration of the offer are equal to their prices at the offer's inception. Sophisticated investors may seek to lock in this discount at the start of the offer through a variety of trading strategies (including a "long-short" arbitrage strategy) that, when implemented, could make them economically indifferent to subsequent changes in trading prices for the stocks involved. Less sophisticated investors, such as small retail investors, generally will not lock in the discount at the offer's inception. Instead, their participation decision may be more heavily influenced by the relative prices of each stock at the end of the offer, which may not reflect the discount originally provided.

B. <u>Formula-Based Exchange Ratios and Pricing Structures</u>

For various reasons, including to mitigate the disadvantages of fixed-ratio offers and to permit a more current market valuation of the securities involved in an exchange, market participants have sought, and the Staff has granted, relief under the tender offer rules when the exchange ratio is based on a formula using trading data over a specified period (typically ten trading days).[14] In *Lazard Freres & Co.*, the first of these no-action letters, the Staff nonetheless required that the exchange ratio be set no later than the second full business day preceding the exchange offer expiration. The Staff has extended the relief granted in *Lazard* to other circumstances involving formula-based pricing, but in each case has continued to require that the final consideration be set no later than two trading days prior to the expiration of the exchange offer. For example, the Staff permitted AB Volvo to set the redemption price for Volvo common stock using a formula based on volume-weighted average trading prices of that stock on the Stockholm Stock Exchange on three specified days during a three-week period ending two U.S.

[14] *Lazard Freres & Co.* (avail. Aug. 11, 1995). See also *BBVA Privanza International (Gibraltar) Limited* (avail. Dec. 23, 2005); *TXU Corporation* (avail. Sept. 13, 2004); *Epicor Software Corp.* (avail. May 13, 2004); *AB Volvo* (avail. May 16, 1997).

trading days before the expiry of the U.S. offer.[15] Similarly, the Staff permitted TXU Corporation to offer to purchase certain equity-linked securities for a price fixed at least two days prior to the expiration of the exchange offer and indexed to the daily volume-weighted average trading price of TXU Corporation's stock for the ten-day period then ended.[16]

While "day 18" formula-based exchange ratios provide benefits relative to traditional fixed-ratio offers, the values of both what is sought and what is offered still fluctuate without limit during the last two days of the offer period. During that period, sophisticated investors may take steps, as they would in a traditional fixed-ratio offer, to lock in the value embedded in the exchange ratio, whereas less sophisticated retail investors may lack the know-how or means to do the same. The ability of sophisticated investors, such as market professionals, to extract value during that period has over the years increased in line with the sophistication of trading infrastructure that allows for rapid, program trade execution.

We understand that providing for a two-day window between pricing and offer expiration reflects an effort to balance potentially conflicting considerations: on the one hand, the need for adequate dissemination of information about the absolute consideration being offered to investors and, on the other hand, the desire to minimize the artificially imposed exposure to market risk resulting from the imposition of an arbitrary time delay between pricing and offer expiration. In recent years, however, trading markets and investor behavior and expectations have changed dramatically due to the substantially increased penetration of the Internet, online brokerage services and rapid trade execution among all classes of investors. We note in particular the following developments that have contributed to investors having immediate access to pricing and other material information:

- Investor trading behavior is now driven largely by free, widely available online quotation sources, readily available online brokerage account execution services (including for small "discount" customers); free, online brokerage account execution services (including for small "discount" customers); and free, online "real-time" financial news.

- Demand by retail investors for automatic, rapid trade execution has become not only more acute, as reflected by the clear success of online trading systems, but is now the basic expectation of investors who are accustomed to real-time quotation and execution.

In today's trading environment, new information is reflected in market prices almost instantaneously as professionals trading in significant volume are able to both access and act on information immediately. This ability did not exist to the same extent at the time of *Lazard*, when the Internet was at its inception and electronic markets were only beginning to

[15] *AB Volvo* (avail. May 16, 1997).

[16] *TXU Corporation* (avail. Sept. 13, 2004).; *See also, e.g., Epicor Software Corp.* (avail. May 13, 2004) (permitting Epicor to determine the magnitude of an offer price adjustment by reference to the average closing price per share of Epicor common stock during the ten trading day period ending two trading days before expiration of the offer); *BBVA Privanza International (Gibraltar) Limited* (avail. Dec. 23, 2005) (permitting BBVA Gibraltar to price a tender offer for preference shares based on a stated fixed spread over yield on a specified benchmark U.S. Treasury security on the second business day immediately preceding the expiration of the tender offer period).

emerge. Thus, we believe the Pricing Mechanism's "day 20" formula is more appropriate for today's trading environment as opposed to the "day 18" formula adopted in *Lazard*.

For the same reasons, we believe that the ten-day averaging period is not as favorable to investors as that incorporated in the Pricing Mechanism or the Similar Exchange Offers. We recognize that the underlying policy favoring a longer pricing period is, in principle, that it protects investors against potential manipulation and other unusual price movements that could distort the value of consideration offered to investors. However, a lengthy averaging period also increases the likelihood that market-wide fluctuations may influence the calculation and that the prices of the underlying securities at the end of the averaging period will differ significantly from the value ascribed to them by the Pricing Mechanism — a result that could particularly affect less sophisticated investors who decide whether to participate in an exchange offer based on the final values of the stocks involved. The Pricing Mechanism uses more current pricing through a shorter averaging period that ends on the trading day prior to the expiration date, while still providing protection against the manipulation that could arise using "point in time" pricing, and should thus benefit investors as a whole.

Consistent with the Weyerhaeuser-Tri Pointe Pricing Mechanism, the PPG Pricing Mechanism, the Kraft Pricing Mechanism, the Bristol-Myers Pricing Mechanism, the P&G Pricing Mechanism, the Weyerhaeuser-Domtar Pricing Mechanism and the McDonald's-Chipotle Pricing Mechanism, the Pricing Mechanism enables investors to consider whether to accept or reject the Exchange Offer based on a fixed dollar value of Splitco Common Stock receivable per dollar of the TDCC Common Stock tendered (subject to the upper limit on the Exchange Ratio described above). While tendering holders will not know the precise number or dollar value of the Splitco Common Stock they will receive per share of the TDCC Common Stock tendered until 4:30 p.m. New York City time on the trading day prior to the expiration date of the Exchange Offer (unless the upper limit is triggered), they will know the relative value relationship of the two stocks intended to be provided in the exchange. The Pricing Mechanism also offers significant advantages to investors in that it:

- minimizes the potential for pricing disparities between the announced ratio and the final ratio in offers using fixed and "day 18" formula-based exchange ratios;

- is simple to understand, since it focuses on the relative value relationship between two stocks (the central consideration for investors);

- relies on more current information about the value of the stocks in question, since it uses a shorter averaging period, while at the same time incorporating protections against manipulation;

- incorporates communication methods to allow investors to access relevant and up-to-date pricing-related information; and

- incorporates procedures to permit investors to make last-minute tenders and withdrawals during a period that is consistent with, and in some cases better than, the comparable timeframes addressed by the Staff and, if the upper limit on the exchange ratio is in effect, gives investors two additional trading days during which they may evaluate the Exchange Offer and tender or withdraw their shares.

Practical experience also suggests that smaller investors have participated effectively in offers using market-based pricing and that they would readily understand the simpler and more intuitive pricing mechanism used in the Exchange Offer. While they arose in an employee compensation context, the issuer tender offers conducted by Comcast and Microsoft, among others,[17] demonstrate that tens of thousands of individual investors — some with no remaining connection with the issuer — were able to evaluate market-based offers where the exchange ratio was not fixed at the start of the exchange offer. It is noteworthy that neither employees nor former employees can be distinguished from other security holders in either their need for adequate and timely pricing information or their ability to analyze and act on market-based pricing. We also note that the Weyerhaueser-Tri Pointe Exchange Offer was approximately 3.5 times oversubscribed (58,813,151 shares accepted for exchange out of 205,186,689 shares validly tendered), the PPG Exchange Offer was approximately 6.4 times oversubscribed (10,825,227 shares accepted for exchange out of 68,933,881 shares validly tendered), the Kraft Exchange Offer was approximately 12-times oversubscribed (46,119,899 shares accepted for exchange out of 568,543,287 validly tendered), the Bristol-Myers Exchange Offer was approximately 1.9-times oversubscribed (269,285,601 shares accepted for exchange out of 499,484,935 shares validly tendered), the P&G Exchange Offer was approximately 12.5-times oversubscribed (38,652,878 shares accepted for exchange out of 484,121,230 shares validly tendered), the Weyerhaeuser-Domtar Exchange Offer was approximately 4.5-times oversubscribed (25,490,196 shares accepted for exchange out of 114,204,244 shares validly tendered) and the McDonald's-Chipotle Exchange Offer was approximately 14-times oversubscribed (18,628,187 shares accepted for exchange out of 262,183,800 shares validly tendered).

Prior Commission and Staff initiatives confirm the Commission's recognition of the significant degree to which technological advances facilitate rapid dissemination of information and widespread access of investors to information via electronic means.[18] We believe that the Pricing Mechanism is entirely consistent with the initiatives of the Commission and the Staff to adapt the Commission's rules to facilitate — and encourage — capital transactions in the U.S. public market in which the protections of the federal securities laws apply.

The Pricing Mechanism is also consistent with the relief granted in *Lazard* and its progeny in all other material respects: (i) the value relationship between the securities involved

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[17] *See, e.g., Comcast Corp.* (avail. Oct. 7, 2004) (permitting transfers of options, more than 85% of which were "out-of-the-money," to a broker as part of an employee compensation mechanism, where the exact compensation to be paid to employees in respect of those options was determined after expiration of the transfer period); *Microsoft Corp.* (avail. Oct. 15, 2003) (similar option transfer program where all of the eligible options were "out-of-the-money").

[18] *See, e.g., Abbreviated Tender or Exchange Offers for Non-Convertible Debt Securities* (avail. Jan. 23, 2015) (citing advances in communication technology as a basis for shorter tender offer periods); SEC Rel. Nos. 33-8732; 34-54302; IC-27444 (Aug. 11, 2006) (Executive Compensation and Related Person Disclosure) (permitting expanded use of Internet to make certain governance-related disclosures); SEC Rel. Nos. 33-8591; 34-52056; IC 26993; FR-75 (July 19, 2005) (Securities Offering Reform); SEC Rel. Nos. 34-55146; IC-27671 (Mar. 30, 2007) (Internet Availability of Proxy Materials); SEC Rel. No. 34-48745 (Nov. 4, 2003) (approving changes to listing standards to incorporate Internet-based disclosure requirements).

is fixed and remains constant during the Exchange Offer (subject to the limit on the exchange ratio described above), such that holders will be able to determine the value receivable on tender of their shares; (ii) the final exchange ratio is based on readily observable average trading prices for securities listed on national securities exchanges over a specified period; (iii) TDCC will issue a press release announcing the final exchange ratio promptly following the close of trading on the last trading day prior to the expiration date and will file an amendment to its Schedule TO that day setting forth the final exchange ratio and including the press release as an exhibit, thus allowing investors time for last-minute tenders and withdrawals; and (iv) holders of TDCC Common Stock will be provided with a toll-free number for TDCC's information agent and a freely-accessible website with trading information relevant to pricing, including indicative exchange ratios, enabling holders to predict whether the final exchange ratio will make participation in the offer economically beneficial for them.

In addition, we note that Paragraph 16 of Schedule A under the Securities Act of 1933, as amended (the "Securities Act"), provides that a prospectus shall specify "the price at which it is proposed that the security shall be offered to the public or the method by which such price is computed," and Item 4 of Form S-4 under the Securities Act requires a prospectus for an exchange offer to include "a summary of the material features of the proposed transaction" and a "[a] brief summary of the terms of the acquisition agreement." We believe the disclosure in the Prospectus fully defines the method by which the price will be computed as well as the material features and terms of the Exchange Offer.

C. The Number of Shares of TDCC Common Stock Sought in the Exchange Offer

Rule 13e-4(f)(1)(ii) and Rule 14e-1(b) prohibit an issuer from changing the percentage of the class of securities being sought (provided, that acceptance for payment of an additional amount of the shares not to exceed two percent of outstanding shares shall not be deemed to be an increase in the percentage of the class of securities being sought)[19] unless the exchange offer remains open for at least ten business days from the date the change is announced. As was noted in connection with the exchange offer commenced by Citizens Republic Bancorp, Inc. (the "Citizens Exchange Offer"),[20] this language restricts the way an issuer may amend an exchange offer and although this language does not explicitly dictate any required disclosure, the rule appears to imply that the exchange offer disclosure must define the precise amount of securities sought to be accepted by the issuer in order to determine when a change in the percentage sought

[19] TDCC does not believe that the not exceeding two percent provision of Rule 13e-4(f)(1)(ii) and Rule 14e-1(b) is relevant to the Exchange Offer, and TDCC does not intend to rely on the provision, because the method by which shares of TDCC Common Stock will be accepted is defined in the Prospectus. In particular, (i) if, on the one hand, the Exchange Offer is consummated but fewer than all of the issued and outstanding shares of Splitco Common Stock are exchanged because insufficient shares of TDCC Common Stock have been tendered for the Exchange Offer to be fully subscribed, then all validly tendered shares will be accepted and the remaining shares of Splitco Common Stock owned by TDCC will be distributed on a pro rata basis to TDCC shareholders and (ii) if, on the other hand, TDCC shareholders have validly tendered more shares of TDCC Common Stock than TDCC is able to accept for exchange at the final exchange ratio, TDCC will accept for exchange the shares of TDCC Common Stock validly tendered and not withdrawn by each tendering shareholder on a pro rata basis, other than with respect to certain odd-lot tenders.

[20] *See Citizens Republic Bancorp* (avail. Aug. 21, 2009).

would call the rule into play.

The Prospectus discloses that the actual number of shares of TDCC Common Stock that will be accepted if the Exchange Offer is completed will depend on (1) the final exchange ratio and (2) the number of shares of the TDCC Common Stock tendered. Thus, depending on the outcome of the two factors listed in the preceding sentence, TDCC may or may not be able to accept all of the shares of TDCC Common Stock validly tendered.[21] TDCC believes that defining the amount of securities TDCC may accept in the Exchange Offer as being subject to these two factors, each of which is clearly and unambiguously described in the Prospectus, is consistent with the regulatory, disclosure and investor protection objectives of Rule 13e-4(f)(1)(ii) and Rule 14e-1(b) and is not coercive or unfair and should be permitted. In this regard, we note:

- The method by which the actual number of shares of TDCC Common Stock that TDCC will accept in the Exchange Offer will be described in detail in the Prospectus and made available to all TDCC shareholders on the date of announcement of the Exchange Offer in a simple, easy to understand manner. Assuming TDCC does not change that method, we do not believe that the application of that method at expiration is a "change" in the percentage of the securities being sought.

- The Prospectus clearly details that (i) if the Exchange Offer is consummated but fewer than all of the issued and outstanding shares of Splitco Common Stock are exchanged because insufficient shares of TDCC Common Stock have been tendered for the Exchange Offer to be fully subscribed, the remaining shares of Splitco Common Stock owned by TDCC will be distributed on a pro rata basis to TDCC shareholders whose shares of TDCC Common Stock remain outstanding after the consummation of the Exchange Offer and (ii) if, upon the expiration of the Exchange Offer, TDCC shareholders have validly tendered more shares of TDCC Common Stock than TDCC is able to accept for exchange at the ratio discussed below, TDCC will accept for exchange the shares of TDCC Common Stock validly tendered and not withdrawn by each tendering shareholder on a pro rata basis, other than with respect to certain odd-lot tenders, as described elsewhere in this letter. Therefore, in the Exchange Offer, TDCC will accept for exchange all shares of TDCC Common Stock validly tendered and not properly withdrawn prior to the expiration of the Exchange Offer, at the exchange ratio to be determined in accordance with the Pricing Mechanism, but subject to proration.

- Because the number of Splitco common shares to be exchanged in the Exchange Offer is fixed at 100,000,000, TDCC shareholders are also able to calculate the preliminary number of shares of TDCC Common Stock to be exchanged if the Exchange Offer is fully subscribed on a daily basis based on the publication of pricing-related information as

[21] This is similar to the scenario faced in the Citizens Exchange Offer, where, depending on the average VWAP of the subject securities (and the resulting exchange ratios) as well as the percentage of the securities of each class validly tendered, the issuer was faced with the situation where the issuer might or might not have been able to accept 100% of the subject securities of each class validly tendered. *See Citizens Republic Bancorp* (avail. Aug. 21, 2009).

discussed below. The exact number of shares of TDCC Common Stock to be exchanged in the Exchange Offer (assuming the Exchange Offer is fully subscribed) will be published by TDCC on the website and in a press release no later than 4:30 p.m., New York City time, on the trading day prior to the expiration date, and that information and the press release will also be included in an amendment to TDCC's Schedule TO which will be filed on the trading day prior to the expiration date. After that announcement, TDCC shareholders will still have until the expiration of the Exchange Offer to tender or withdraw their tenders.

- As mentioned earlier, we believe the disclosure in the Prospectus fully defines the material terms and features of the Exchange Offer as required by Item 4 of Form S-4 under the Securities Act.

- TDCC will announce the final exchange ratio by 4:30 p.m., New York City time, on the last trading day prior to the expiration date of the Exchange Offer, which will give TDCC shareholders a better sense of the likelihood of proration. After that announcement, TDCC shareholders will still have until the expiration of the Exchange Offer to tender or withdraw their tenders.

We believe that the Prospectus clearly discloses the manner in which the number of shares of TDCC Common Stock to be accepted in the Exchange Offer will be determined. The Pricing Mechanism is disclosed in the Prospectus and will be constant throughout the Exchange Offer. In particular, we do not believe that the determination at the end of the Exchange Offer of the precise amount of validly tendered shares of TDCC Common Stock that TDCC will accept, pursuant to a clear and unambiguous method set forth in full in the Prospectus, will be a change in the percentage of the class of securities being sought within the meaning of Rule 13e-4(f)(1)(ii) and we believe this manner of specifying the amount of shares of TDCC Common Stock sought in the Exchange Offer complies with applicable rule, is not coercive or unfair, and should be permitted.

We understand that, pursuant to Rule 13e-4(e)(3), if there is a change in the Pricing Mechanism, then such change would require that at least ten business days remain in the Exchange Offer period following the announcement of such change.

D. <u>Other Precedents</u>

The Staff also has also granted relief to accommodate modified Dutch auction pricing mechanism tender offers in the context of an issuer exchange tender offer, although these offers do not provide security holders with the final offer price until offer expiration, subject to certain conditions. We believe that the Pricing Mechanism is consistent with the Staff's position on Dutch auction tender offers and, indeed, provides certain advantages to investors. Like modified Dutch auction tender offers, in the Exchange Offer, (i) pro rata acceptance is assured, with all securities participating equally in prorationing (except for odd-lots); (ii) withdrawal rights will exist throughout the offer period; (iii) there will be prompt announcement of the final exchange ratio; and (iv) TDCC will exchange all accepted securities at the highest consideration paid to any security holder under the exchange offer.[22] Unlike the Pricing Mechanism, however, Dutch auction pricing provides significantly less visibility to investors about the value that they will receive, since it merely establishes a range of prices at the outset without providing any visibility during the offer as to likely outcomes. Indeed, we believe that this disadvantage of Dutch auction pricing in part led to the need for the relief granted in the case of "day 18" pricing constructs.[23] As noted above, TDCC has not incorporated a minimum exchange ratio because, were such a limit to be triggered, it would provide tendering shareholders with a return in excess of the specified discount discussed above, which could potentially unduly harm non-tendering TDCC shareholders. Indeed, incorporating a minimum exchange ratio in the Pricing Mechanism does not correlate to the low end of the range specified in a Dutch auction, where the final exchange ratio is determined independently of the values of the stocks in question based on investor indications of interest in a process that is not transparent to the market generally.

E. <u>Similarities and Differences from Precedent</u>

1. Final Exchange Ratio Timing

Whereas in the exchange offers described above for Lazard, AB Volvo, TXU, P&G and Bristol-Myers, the per-share values of underlying stocks were determined by reference to the daily VWAP of each stock during an averaging period ending on and including the second trading day preceding the expiration date, consistent with the Weyerhaeuser-Tri Pointe Pricing Mechanism, the PPG Pricing Mechanism, Kraft Pricing Mechanism, the Weyerhaeuser-Domtar Pricing Mechanism and the McDonald's-Chipotle Pricing Mechanism, the Averaging Period will end on and include the last trading day of the Exchange Offer, thus minimizing any artificially imposed exposure to market risk resulting from the imposition of an arbitrary time delay between pricing and offer expiration.

2. Representative Pricing

Consistent with the Weyerhaeuser-Tri Pointe Pricing Mechanism, the PPG Pricing Mechanism, the Kraft Pricing Mechanism, the P&G Pricing Mechanism, the Weyerhaeuser-Domtar Pricing Mechanism and the McDonald's-Chipotle Pricing Mechanism, the value of the distributed shares will be determined by reference to the trading data for an acquiring company whereas in the Bristol-Myers Pricing Mechanism, no representative pricing was used to determine the value of the common stock distributed pursuant to the Bristol-Myers Exchange Offer. The Bristol-Myers Exchange Offer did not rely on a representative pricing mechanism due to the fact that the common stock distributed pursuant to the Bristol-Myers Exchange Offer was already listed and traded on the NYSE, thus no representative pricing was required to determine the value of the common stock distributed pursuant to the Bristol-Myers Exchange Offer.

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[22] SEC Rel. No. 33-6653 (July 11, 1986).

[23] *See Lazard Freres & Co.* (avail. Aug. 11, 1995).

IV. REQUESTED NO-ACTION RELIEF

Based on the foregoing, we respectfully request on behalf of TDCC that the Staff confirms that it will not recommend that the Commission take enforcement action pursuant to Rules 13e-4(d)(1), 13e- 4(e)(3), 13e-4(f)(1)(ii) and 14e-1(b) under the Exchange Act (requiring the specification of consideration offered, the specification of the total number of securities sought in the offer and the extension of the exchange offer on a change in consideration, a change in the amount of securities sought or a change in the percentage of the class of securities being sought) if TDCC conducts the Exchange Offer as described in this letter. We note that the relief sought is consistent with the positions previously taken by the Staff with respect to the Similar Exchange Offers. We respectfully request that the Staff issue the requested relief as soon as practicable.

If you have any questions or comments with respect to this matter, please call me at (212) 848-7333.

Sincerely,

Richard B. Alsop

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