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ARIZONA CORPORATION COMMISSION

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EXECUTIVE SECRETARY

SECURITIES DIVISION  
(602) 542-4242  
(602) 255-2600  
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June 23, 1992

Edward M. Alterman, Esq.  
Fried, Frank, Harris, Shriver & Jacobson  
One New York Plaza  
New York, NY 10004-1980

RE: General Instrument Corporation  
Rule R14-4-136

Dear Mr. Alterman:

On the basis of the facts set forth in your letter of June 12, 1992, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the issuer suspend the annual filing of Form 701 as set forth in your letter.

It is the Division's position that a private issuer which relies on the exemption provided by Rule 701 under the Securities Act of 1933 and A.C.C. Rule R14-4-136, with respect to compensatory issuances of securities, no longer needs to file Form 701 with the Division once such issuer becomes a reporting company under section 13 or 15(d) of the Securities Exchange Act of 1934. However, such issuer in certain instances may have other filing obligations once public [see, for example, the provisions of A.R.S. § 44-1843 (C)].

Should an issuer, which relied upon Rule 701 and Rule R14-4-136, suspend its duty to file Exchange Act reports, it shall be required to recommence the submission of Form 701 within thirty days after the end of the fiscal year in which the suspension occurred, and each fiscal year thereafter while it remains free from the Exchange Act reporting requirements. This requirement shall apply irrespective of whether additional exempt issuances occur after suspension of the Exchange Act reporting requirements.

Please be aware that this response only expresses the Division's position on the filing requirement and does not purport to express any legal conclusion on the availability of the exemption claimed.

Edward M. Alterman, Esq.  
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As this position is premised upon the facts set forth in your letter, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

We have attached a photocopy of your letter. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,



DEE RIDDELL HARRIS  
Director of Securities

DRH:MGB:ck

Attachment

FRIED, FRANK, HARRIS, SHRIVER & JACOBSON

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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WRITER'S DIRECT LINE

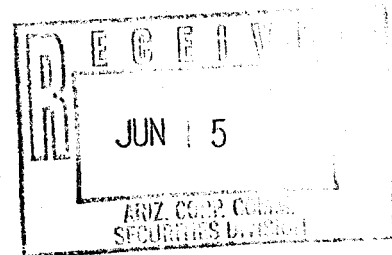
June 12, 1992

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Sandra J. Forbes, Esq.  
Assistant Director of Securities for  
Law and Policy  
Arizona Corporation Commission  
234 North Central Avenue, Suite 425  
Phoenix, Arizona 85004

**BY FEDERAL EXPRESS**

Re: *General Instrument Corporation  
Exemption Pursuant to R14-4-136  
Request for No-Action Letter*



Dear Ms. Forbes:

Our client, General Instrument Corporation (the "Company") recently granted options to acquire its Common Stock to several of the Company's key employees, including four employees in Arizona, in a transaction exempt from registration under the Securities Act of 1933 pursuant to Rule 701 promulgated thereunder. We believe that the transaction was exempt from registration in Arizona pursuant to Sec. R14-4-136 of the Regulations of the Arizona Corporation Commission, and we have previously made the filing required to perfect that exemption.

Sec. R14-4-136(c) requires, as a condition of reliance upon the exemption, that filings be made not only after any sale of securities in reliance upon the exemption, but every year thereafter (apparently in perpetuity) whether or not more sales are made in reliance upon the exemption, within thirty days of the end of the issuer's fiscal year. For the reasons set forth below, we request that the Securities Division grant no-action relief from such annual filings.

The Company has recently completed an initial public offering of its Common Stock, and such Stock is currently listed and trading on the New York Stock Exchange ("NYSE"). Accordingly, any options granted to employees in the future, and any stock issued pursuant to the exercise of options, will be exempt from registration pursuant to Sec. 44-1843(A)(7) of the Securities Act of Arizona. In addition, the Company's periodic filings under the federal securities laws will be publicly available. Accordingly, it seems that there is no purpose to be served in having the Company continue to make filings in Arizona year after year, merely because four employees were granted options at a time when the Company was privately held. There is also no reason that a publicly held issuer whose Stock is traded on the NYSE should be in the position of being held to have violated Arizona's securities law in connection with a sale of securities which occurred in the past, was exempt at the time the sale was made, and in connection with which an exemption filing was properly made, merely because a filing containing no information not previously filed with your office was not made an unknown number of years after the original sale. Accordingly, we would appreciate it if the Division would issue a no-action letter relieving the Company of the requirement that the annual filings continue to be made.

Sandra J. Forbes, Esq.

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June 12, 1992

In connection with this matter, enclosed please find our check in the amount of \$200.00 in payment of the requisite fee along with a copy of the Prospectus relating to the public offering of the Company's Stock. If you have any questions in this regard, please do not hesitate to call me collect at the number shown above at any time.

A copy of this letter is enclosed. In order to acknowledge receipt of this filing, I would appreciate it if you would receipt stamp the copy and return it to me in the self-addressed stamped envelope provided.

Thank you for your kind attention to this matter.

Very truly yours,



Edward M. Alterman

EMA:bst:0637H  
Enclosures