



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

October 19, 2015

Via Facsimile and U.S. Mail

Jaclyn L. Cohen, Esq.
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153

RE: General Electric Company – Exchange Offer

Dear Ms. Cohen:

We are responding to your letter dated October 19, 2015 addressed to Michele Anderson and Daniel Duchovny, as supplemented by telephone conversations with the staff, with regard to General Electric Company's request for no-action relief. To avoid having to recite or summarize the facts set forth in your letter, our response is attached to the enclosed copy of your letter. Unless otherwise noted, capitalized terms in this letter have the same meaning as in your letter.

On the basis of your representations and facts presented in your letter, the staff of the Division of Corporation Finance will not recommend that the Commission take enforcement action under Rules 13e-4(d)(1), 13e-4(e)(3), 13e-4(f)(1)(ii) or 14e-1(b) under the Exchange Act if GE conducts the Exchange Offer in the manner described in your letter. In issuing this no-action position, we considered the following facts, among others:

- GE's disclosure of a specified dollar value of Synchrony common stock that tendering GE security holders will receive in exchange for a dollar value of tendered GE common stock (subject to an upper limit on the exchange ratio);
- The Pricing Mechanism for determining the number of shares of Synchrony common stock to be received in exchange for shares of GE common stock will be disclosed in the tender offer materials disseminated to security holders;
- The Pricing Mechanism will remain constant throughout the duration of the Exchange Offer, and if there is a change in the Pricing Mechanism, the Exchange Offer will remain open for at least ten business days thereafter;
- GE will provide a toll-free number that GE security holders can use to obtain daily indicative exchange ratios and, after announcement of the final exchange ratio, the final exchange ratio (including whether the limit to the exchange ratio is in effect);
- GE will publish the final exchange ratio (including an announcement whether the limit on the exchange ratio is in effect) in a press release no later than 9:00 a.m.,

New York City time, on the trading day preceding the Expiration Date and GE will file the information as a Rule 425 filing pursuant to Rule 165 of the Securities Act of 1933 and will file an amendment to its Schedule TO on the same date setting forth the same information;

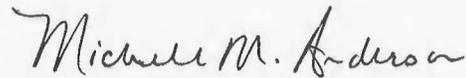
- GE will make available a notice of withdrawal in its printed materials and will disclose the procedures for withdrawal, including the times and methods by which tenders and withdrawals must be made; and
- GE common stock and Synchrony common stock are listed on the NYSE.

The foregoing no-action positions are based solely on your representations and the facts presented in your letter dated October 19, 2015, as supplemented by telephone conversations with the Commission staff. This relief is strictly limited to the application of the rules listed above to the Exchange Offer. GE should discontinue the Exchange Offer pending further consultations with the staff if any of the facts or representations set forth in your letter change.

We also direct your attention to the anti-fraud and anti-manipulation provisions of the federal securities laws, including Sections 9(a), 10(b) and 14(e) of the Exchange Act and Rule 10b-5 and Rule 14e-3 thereunder. Responsibility for compliance with these and any other applicable provisions of the federal securities laws rests with the participants in the Exchange Offer. The Division of Corporation Finance expresses no view with respect to any other questions that the Exchange Offer may raise, including, but not limited to, the adequacy of the disclosure concerning, and the applicability of any other federal or state laws to, the Exchange Offer. This response expresses the Division's position on enforcement action only and does not express any legal conclusion on the question presented.

Sincerely,

For the Division of Corporation
Finance,



Michele M. Anderson
Associate Director, Legal
Division of Corporation Finance

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October 19, 2015

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

BY EMAIL

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Mergers and Acquisitions
100 F Street, N.E.
Washington, DC 20549-3628
Attn: Michele M. Anderson, Associate Director (Legal)
Daniel Duchovny, Special Counsel

Dear Mr. Duchovny:

We are writing on behalf of our client, General Electric Company (“GE”), in connection with an exchange offer to be commenced on or after October 19, 2015, subject to certain regulatory approvals. In the exchange offer (the “Exchange Offer”), GE will offer holders of its common stock the opportunity to exchange all or a portion of their common stock in GE for shares of common stock in Synchrony Financial (“Synchrony”), as described below. The Exchange Offer adopts substantially the same pricing mechanism as the one used by (i) Bristol-Myers Squibb Company (“BMS”) in its exchange offer (the “BMS Exchange Offer”) with respect to the common stock of Mead Johnson Nutrition Company (the “BMS Pricing Mechanism”) and (ii) Procter & Gamble Company (“Procter & Gamble”) in its exchange offer (the “Procter & Gamble Exchange Offer”) with respect to the shares of The J.M. Smucker Company as part of a Reverse Morris Trust transaction (the “Procter & Gamble Pricing Mechanism”), both of which employed “Day 18” pricing mechanisms, as described below. The proposed pricing mechanism for the Exchange Offer is also similar to the one used by (i) The Dow Chemical Company (“TDCC”) in its exchange offer (the “TDCC Exchange Offer”) with respect to the common stock of Olin Corporation as part of a Reverse Morris Trust transaction (the “TDCC Pricing Mechanism”), (ii) Weyerhaeuser Company (“Weyerhaeuser”) in its exchange offer (the “Weyerhaeuser-Tri Pointe Exchange Offer”) with respect to the common stock of Tri Pointe Homes, Inc. as part of a Reverse Morris Trust transaction (the “Weyerhaeuser-Tri Pointe Pricing Mechanism”), (iii) CBS Corporation (“CBS”) in its exchange offer (the “CBS Exchange Offer”) with respect to the common stock of CBS Outdoor Americas Inc. (the “CBS Pricing Mechanism”), (iv) Pfizer Inc. (“Pfizer”) in its exchange offer (the “Pfizer Exchange Offer”) with respect to the Class A common stock of Zoetis Inc. (the “Pfizer Pricing Mechanism”), (v)

Halliburton Company (“Halliburton”) in its exchange offer (the “Halliburton Exchange Offer”) with respect to the common stock of KBR, Inc. (the “Halliburton Pricing Mechanism”), (vi) Weyerhaeuser in its exchange offer (the “Weyerhaeuser-Domtar Exchange Offer”) with respect to the common stock of Domtar Corporation (the “Weyerhaeuser-Domtar Pricing Mechanism”), (vii) McDonald’s Corporation (“McDonald’s”) in its exchange offer (the “McDonald’s Exchange Offer”) with respect to the Class B Common Stock of Chipotle Mexican Grill, Inc. (the “McDonald’s Pricing Mechanism”), (viii) PPG Industries, Inc. (“PPG”) in its exchange offer (the “PPG Exchange Offer”) with respect to the common stock of Georgia Gulf Corporation as part of a Reverse Morris Trust transaction (the “PPG Pricing Mechanism”), and (ix) Kraft Foods Inc. (“Kraft”) in its exchange offer (the “Kraft Exchange Offer”) with respect to the common stock of Ralcorp Holdings, Inc. as part of a Reverse Morris Trust transaction (such pricing mechanism, the “Kraft Pricing Mechanism”), all of which employed “Day 20” pricing mechanisms, as described below. The BMS Exchange Offer, the Procter & Gamble Exchange Offer, the TDCC Exchange Offer, the Weyerhaeuser-Tri Pointe Exchange Offer, the CBS Exchange Offer, the Pfizer Exchange Offer, the Halliburton Exchange Offer, the Weyerhaeuser-Domtar Exchange Offer, the McDonald’s Exchange Offer, the PPG Exchange Offer and the Kraft Exchange Offer, are collectively referred to herein as the “Similar Exchange Offers.”¹

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”), require the specification of consideration offered and the extension of the offer for ten business days on a change in consideration. Because the Exchange Offer contemplates allowing investors two full trading days to consider the final exchange ratio instead of ten business days, we respectfully request that the Staff confirm that it will not recommend that the Securities and Exchange Commission (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 with respect to GE’s use of the pricing mechanism described below (the “Pricing Mechanism”). The issues presented are substantially identical to those to which the Staff did not object in connection with the BMS and Procter & Gamble Exchange Offers. The issues are also substantially identical to those to which the Staff did not object in the TDCC, Weyerhaeuser-Tri Pointe, CBS, Pfizer, Kraft, Halliburton, Weyerhaeuser-Domtar, McDonald’s, and PPG Exchange Offers, but with the simplified time-table and procedures like that used in Procter & Gamble and by Lazard Freres & Co. (“Lazard”) in its offer (the “Lazard Offer”) and TXU Corp (“TXU”) in its offer (the “TXU Offer”).²

¹ See *Bristol-Myers Squibb Company* (avail. Nov. 16, 2009) and *Procter & Gamble* (avail. Oct. 8, 2008). See also *The Dow Chemical Company* (avail. Sept. 2, 2015), *Weyerhaeuser Company* (avail. June 26, 2014), *CBS Corporation* (avail. June 11, 2014), *Pfizer Inc.* (avail. May 22, 2013), *Halliburton Company* (avail. Mar. 21, 2007), *Weyerhaeuser Company* (avail. Feb. 23, 2007), *McDonald’s Corporation* (avail. Sept. 27, 2006), *PPG Industries, Inc.* (avail. Dec. 21, 2012) and *Kraft Foods Inc.* (avail. July 1, 2008).

² See *Lazard Freres & Co.* (avail. Aug. 11, 1995) and *TXU Corporation* (avail. Sept. 13, 2004).

I. BACKGROUND

A. Parties to the Transaction

1. *General Electric Company*

GE is a publicly held corporation incorporated in New York. GE is a global digital industrial company, transforming industry with software-defined machines and solutions that are connected, responsive and predictive. With products and services ranging from aircraft engines, power generation and oil and gas production equipment, to medical imaging, business financing and industrial products, GE serves customers in 175 countries and employs approximately 307,000 people worldwide. GE had revenues of approximately \$149 billion for the year ended December 31, 2014.

GE is also a well-known seasoned issuer, subject to the information reporting requirements of the Exchange Act pursuant to Section 12(b) thereof. Accordingly, it files with the Commission periodic reports, proxy statements and other information relating to GE's business, financial results and other matters. GE is current in its periodic reporting obligations under the Exchange Act.

As of September 30, 2015 there were 10,109,239,076 shares of GE common stock, par value \$0.06 per share ("GE Common Stock"), outstanding. GE Common Stock is listed on the New York Stock Exchange (the "NYSE"). Each share of GE Common Stock is entitled to one vote per share for all matters submitted to a vote of shareholders.

2. *Synchrony Financial*

Synchrony is a publicly held corporation incorporated in Delaware. Synchrony is a consumer financial services company and is the largest provider of private label credit cards in the United States based on purchase volume and receivables. Synchrony provides a range of credit products through programs it has established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers. During 2014 and the first two quarters of 2015, Synchrony financed \$103.1 billion and \$51.9 billion of purchase volume, respectively, and at June 30, 2015 Synchrony had \$61.4 billion of loan receivables and 61.7 million active accounts. Synchrony's active accounts represent a geographically diverse group of both consumers and businesses, with an average FICO score of 715 for consumer active accounts at June 30, 2015. Synchrony's business has been profitable and resilient, including through the recent U.S. financial crisis and ensuing years. For the year ended December 31, 2014, Synchrony had net earnings of \$2.1 billion, representing a return on assets of 3.2%.

Synchrony completed its initial public offering on August 5, 2014. Accordingly, Synchrony is subject to the information reporting requirements of the Exchange Act pursuant to Section 12(b) thereof, and Synchrony files with the Commission periodic reports, proxy statements and other information

relating to its business, financial results and other matters. Synchrony is current in its periodic reporting obligations under the Exchange Act.

As of September 30, 2015, there were 833,824,286 shares of Synchrony common stock, par value \$0.001 per share (“Synchrony Common Stock”) outstanding. Synchrony Common Stock is listed on the NYSE. Each share of Synchrony Common Stock is entitled to one vote per share for all matters submitted to a vote of stockholders.

GE currently beneficially owns approximately 84.6% of the outstanding shares of Synchrony Common Stock.

B. Purpose of the Exchange Offer

The purpose of the Exchange Offer is to complete the separation of Synchrony’s business from GE’s remaining businesses in a tax-efficient manner, thereby enhancing stockholder value and better positioning GE to focus on its core businesses. In addition, the Exchange Offer is expected to be tax-free to GE stockholders and GE. Finally, the Exchange Offer is an efficient means of placing Synchrony Common Stock with holders of GE Common Stock who wish to own an interest in Synchrony. By comparison, a separation effected exclusively by a spin-off dividend of GE’s remaining interest in Synchrony would result in all GE stockholders becoming owners of Synchrony, regardless of their desire to own shares of Synchrony Common Stock.

C. The Steps of the Exchange Offer

The terms of the Exchange Offer will be more fully described in the Prospectus (the “Prospectus”), which will form a part of a Registration Statement on Form S-4 to be filed by Synchrony to register the offering of Synchrony Common Stock being offered in the Exchange Offer. In addition, GE will file a Schedule TO (the “Schedule TO”), which will incorporate by reference portions of the Prospectus. Set forth below is a description of the key components of the Exchange Offer.

GE will distribute shares of Synchrony Common Stock to GE shareholders pursuant to the Exchange Offer. In the Exchange Offer, GE is offering holders of GE Common Stock the opportunity to exchange all or a portion of their GE Common Stock for shares of Synchrony Common Stock. If the Exchange Offer is not fully subscribed, GE will distribute its remaining shares of Synchrony Common Stock through a special dividend to all GE shareholders, on a pro rata basis or, alternatively, through one or more additional exchange offers or exchanges for GE Common Stock, in any case, within 12 months of the closing of the Exchange Offer.

II. THE EXCHANGE OFFER

GE is adopting the Pricing Mechanism (described below) for the Exchange Offer. The terms of the Exchange Offer are more fully described in the Prospectus. Participation in the Exchange Offer is

voluntary, and GE, Synchrony and the dealer managers have not and will not make any recommendation about whether holders of GE Common Stock should participate. Directors and officers of GE may participate in the Exchange Offer, but the terms of the offer do not provide them with any advantage relative to other GE 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 is expressed as a ratio of shares of Synchrony Common Stock for each \$100.00 of GE 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 Synchrony Common Stock in order to encourage participation in the Exchange Offer.

Consistent with the Similar Exchange Offers, the calculated per-share values of GE Common Stock and Synchrony Common Stock will be determined by reference to the simple arithmetic average of the daily volume-weighted average price (or daily “VWAP”) of each stock over a three-day period (the “Averaging Period”).³ Whereas in the TDDC, Weyerhaeuser-Tri Pointe, CBS, Pfizer, Kraft, Halliburton, Weyerhaeuser-Domtar and McDonald’s Exchange Offers, 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 expiration date of the exchange offer, the Averaging Period, consistent with BMS Exchange Offer, the Procter & Gamble Exchange Offer, the Lazard Offer and the TXU Offer, will end on and include the second trading day preceding the expiration date, allowing investors two full trading days to consider the final exchange ratio and decide to tender or withdraw. Consistent with BMS, Procter & Gamble and the other Similar Exchange Offers, the trading data to be used to set the value of GE Common Stock and Synchrony Common Stock will be the trading data for each stock on the NYSE. The daily VWAP for GE Common Stock or Synchrony Common Stock will be the volume-weighted average price per share of the applicable stock on the NYSE during the period beginning at 9:30 a.m., New York City time (or the then-official open of trading) and ending at 4:00 p.m., New York City time (or the then-official close of trading), on such day. The daily VWAP for GE Common Stock and Synchrony Common Stock will be determined by GE for each day during the Averaging Period, and GE will calculate the simple arithmetic average of such VWAPs. GE believes that a three-day VWAP-based pricing period offers shareholders a reasonable balance between the objectives of providing the

³ In the event the Exchange Offer commences on October 19, 2015, the three consecutive trading days which constitute the Averaging Period (currently expected to be November 10, 11 and 12, 2015) will include Veterans Day. As Veterans Day is a Federal Holiday, it will not count as a business day for purposes of determining the 20 business day period that the Exchange Offer must remain open, however, as it is not a Bank Holiday trading will continue on such day. In order to ensure that the Averaging Period occurs during three consecutive days, such Averaging Period will end on and include the second trading day preceding the expiration date of the Exchange Offer, as in the BMS Exchange Offer, the Procter & Gamble Exchange Offer, the Lazard Offer and the TXU Offer which used the “day 18” pricing mechanism, even though such period will include a calendar day which is not counted for purposes of determining the length of the exchange offer period.

most current pricing practicable, while reducing price distortions that could occur if prices were established at a single point in time.

Consistent with the Similar Exchange Offers, GE shareholders participating in the Exchange Offer will receive a maximum number of shares of Synchrony Common Stock for each share of GE Common Stock accepted for exchange, which limit will be established using the closing price for GE Common Stock on the last trading day prior to the commencement of the Exchange Offer, and a discount to the closing price for Synchrony Common Stock on such date (referred to as the “upper limit”). This upper limit is intended to protect non-tendering holders of GE Common Stock against an unusual or unexpected drop in the trading price of Synchrony Common Stock, relative to the trading price of GE Common Stock, and the prospective loss of value to them (as continuing GE investors) if the Synchrony Common Stock were exchanged at an unduly high exchange ratio. No later than 9:00 a.m., New York City time, on the trading day immediately following the Averaging Period, which will be the trading day immediately preceding the expiration date, GE will issue a press release and make a Rule 425 filing with the Commission to announce the final exchange ratio and whether the upper limit is in effect leaving GE shareholders two trading days to tender or withdraw. Consistent with the Similar Exchange Offers, the Exchange Offer will not include any minimum exchange ratio because, were such a limit to be triggered, it would provide tendering shareholders with a windfall return for GE Common Stock tendered and accepted.

Consistent with the Similar Exchange Offers, if, upon the expiration of the Exchange Offer, GE shareholders have validly tendered more GE Common Stock than GE is able to accept for exchange, GE will accept for exchange the GE Common Stock validly tendered and not withdrawn by each tendering shareholder on a *pro rata* basis (other than with respect to odd-lot tenders). GE will first calculate a “Proration Factor”, which will equal (i) the total number of shares of GE Common Stock that GE is able to accept (taking into account the final exchange ratio and the total number of shares of Synchrony Common Stock owned by GE) *divided* by (ii) the total number of shares of GE Common Stock validly tendered and not withdrawn (in all cases after adjustment for odd-lot tenders that are not subject to proration, as described below). The Proration Factor will then be applied to each GE shareholder with respect to the total number of shares of GE Common Stock validly tendered by such GE shareholder pursuant to the Exchange Offer and not withdrawn (except for holders of less than one hundred (100) shares of GE Common Stock who validly tender all of their shares and elect not to be subject to proration).

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 (10) business days before offer expiration and would be published in a press release and in a Rule 425 filing with the Commission with the press release also being included in an amendment to GE’s Schedule TO to be filed in connection with the Exchange Offer.

The Exchange Offer commenced by GE relies on traditional, timely methods of disclosing the pricing information consistent with the “day 18” pricing mechanisms used in the BMS Exchange Offer, the Procter & Gamble Exchange Offer, the Lazard Offer and the TXU Offer. Consistent with the BMS Exchange Offer, the Procter & Gamble Exchange Offer, the Lazard Offer and the TXU Offer, GE will make pricing information available as follows:

- Indicative exchange ratios will be available on each day of the Exchange Offer period prior to the announcement of the final exchange ratio by contacting the information agent for the Exchange Offer at a toll-free telephone number disclosed in the Prospectus.
- Prior to the Averaging Period, the indicative exchange ratios for each day will be calculated based on the indicative calculated per-share values of GE Common Stock and Synchrony Common Stock on each day, calculated as though that day were the expiration date of the Exchange Offer. For example, assuming that a given day is a trading day, the indicative exchange ratio will be calculated based on the simple arithmetic average of the daily VWAPs of GE Common Stock and Synchrony Common Stock for that day and the immediately preceding two trading days. The indicative exchange ratio will also reflect whether the upper limit would have been in effect had such day been the expiration date of the Exchange Offer.
- During the Averaging Period, the indicative exchange ratios will be calculated as follows: (i) on the first day of the Averaging Period, the indicative exchange ratio will be calculated based on the daily VWAPs of GE Common Stock and Synchrony Common Stock for that first day of the Averaging Period and (ii) on the second day of the Averaging Period, the indicative exchange ratio will be calculated based on the simple arithmetic average of the daily VWAPs of GE Common Stock and Synchrony Common Stock for the first and second day of the Averaging Period.
- The final exchange ratio (including an announcement about whether the limit on the exchange ratio described above is in effect) will be published by GE in a press release issued no later than 9:00 a.m., New York City time, on the trading day immediately preceding the expiration date of the Exchange Offer, and that information and the press release will also be included in an amendment to GE’ Schedule TO filed on the same day. Following such announcement, the final exchange ratio will also be available by contacting the information agent at a toll-free telephone number disclosed in the Prospectus.

Consistent with the “day 18” pricing mechanisms used in the BMS Exchange Offer, the Procter & Gamble Exchange Offer, the Lazard Offer and the TXU Offer, GE may elect not to provide special internet-based information concerning daily VWAPs during the exchange offer period, because that type of disclosure was required in the TDCC, Weyerhaeuser-Tri Pointe, CBS, Pfizer, Kraft, Halliburton, Weyerhaeuser-Domtar and McDonald’s Exchange Offers only because of the “day 20” pricing timetable used in those exchange offers.

Consistent with the Similar Exchange Offers, withdrawal rights will be available throughout the Exchange Offer. Because the offer will terminate at 12:00 midnight, New York City time, on the expiration date and GE will announce the final exchange ratio by 9:00 a.m., New York City time, on the trading day immediately preceding the expiration date, holders of GE Common Stock will have two full trading days to consider the final exchange ratio and decide to tender or withdraw. In this regard, we note the following:

- Holders of GE Common Stock will be able to send via fax (through their brokers or similar institutions if they do not hold their shares directly) notices of withdrawal to the exchange agent.
- GE will make available to holders of GE Common Stock in printed materials a notice of withdrawal, and the procedures for withdrawal will be explained in the Prospectus, including the times and methods by which tenders and withdrawals must be made.

III. DISCUSSION

We respectfully request on behalf of GE 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 and the extension of the offer on a change in consideration) with respect to GE's use of the Pricing Mechanism as described above. 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 Synchrony Common Stock receivable per share of GE Common Stock tendered. This approach is identical to the pricing mechanisms in the BMS and Procter & Gamble Exchange Offers, which builds on the pricing mechanisms in the other Similar Exchange Offers and the 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. In addition, the Pricing Mechanism adopts the simplified timetable and procedures used in the BMS Exchange Offer, the Procter & Gamble Exchange Offer, the Lazard Offer and the TXU Offer, thereby ensuring that the investors have ample time to decide whether to tender or withdraw.

A. Fixed Exchange Ratios

The Pricing Mechanism allows investors to better predict the value they will receive in the Exchange Offer than they would in 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 the time of expiration of the offer 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 of the underlying stocks on offer expiration are equal to their prices at the offer's inception. Sophisticated investors may seek at the start of the offer to lock in the initial discount through a variety of trading strategies 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 offer's end, which may not reflect the discount originally provided.

B. Formula-Based Exchange Ratios and Pricing Structures

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 (10) trading days).⁴ In Lazard, 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 offer expiration. The Staff has extended the relief granted in Lazard to other circumstances involving formula-based pricing, but in many instances has continued to require that the final consideration be set no later than two trading days prior to the expiration of the offer. For example, the Staff permitted AB Volvo ("AB Volvo") to set the redemption price for AB 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. trading days before the expiry of the U.S. offer.⁵ Similarly, the Staff permitted TXU to offer to purchase certain equity-linked securities for a price fixed at least two days prior to offer expiration and indexed to the daily VWAP of TXU's stock for the 10-day period then ended.⁶

1. "Day 18" versus "Day 20" Pricing

Consistent with the formulas used in the BMS, Procter & Gamble, Lazard, AB Volvo and TXU offers, the Pricing Mechanism uses an Averaging Period ending on and including the second trading day preceding the expiration date, providing for a two trading day window between pricing and offer expiration. This "day 18" pricing reflects an effort to balance potentially conflicting considerations: on one hand, the need for adequate dissemination of information about the absolute consideration being

⁴ *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); and *AB Volvo* (avail. May 16, 1997).

⁵ *AB Volvo* (avail. May 16, 1997).

⁶ *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 10 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).

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. The result is that the final exchange ratio in the Exchange Offer can and will be announced by 9:00 a.m., New York City time, on the trading day immediately preceding the expiration date, allowing investors two full trading days to consider the final exchange ratio in the Exchange Offer and decide to tender or withdraw at any time during that two trading day period. GE intends to rely on traditional, timely methods of disclosure of the final pricing and exchange ratio described herein consistent with the “day 18” pricing mechanisms used in the BMS Exchange Offer, the Procter & Gamble Exchange Offer, the Lazard Offer and the TXU Offer, and may not provide special internet-based information concerning daily VWAPs during the exchange offer period, because that type of disclosure was required in the other Similar Exchange Offers only because of the “day 20” pricing timetable used in those exchange offers.

2. Length of Averaging Period

Consistent with the BMS, Procter & Gamble, TDCC, Weyerhaeuser-Tri Pointe, CBS, Pfizer, Kraft, Halliburton and Weyerhaeuser-Domtar Pricing Mechanisms, the Pricing Mechanism uses a three-day Averaging Period. We believe that the 10-day averaging period used in the Lazard and TXU Offers is not as favorable to retail investors as the three-day averaging period incorporated in the Pricing Mechanism. 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. A lengthy averaging period, however, 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 differ significantly from the value ascribed to them by the Pricing Mechanism—a result that could particularly adversely 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, while still providing protection against the manipulation that could arise using “point in time” pricing, and thus should benefit investors as a whole.

The Pricing Mechanism enables investors to consider whether to accept or reject an exchange or tender offer based on a fixed dollar value of Synchrony Common Stock receivable per \$100.00 of GE Common Stock tendered (subject to the upper limit on the exchange ratio described above). “Day 18” pricing also provides that tendering holders will know prior to the last day of the Exchange Offer period the precise number of shares of Synchrony Common Stock they will receive per share of GE Common Stock tendered. 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 as occurs in offers using fixed and formula-based exchange ratios;
- is simple to understand, because 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, because it uses a shorter averaging period, while at the same time incorporating protections against manipulation; and
- announces the final exchange ratio by 9:00 a.m., New York City time, on the trading day immediately preceding the expiration date, allowing investors two full trading days to evaluate the Exchange Offer and decide whether to 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,⁷ demonstrate that tens of thousands of individual investors—some with no remaining connection to the issuer—were able to evaluate market-based offers where the exchange ratio was not fixed at the start of the 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 Similar Exchange Offers were well oversubscribed. For example, the TDCC Exchange Offer was approximately 5-times oversubscribed (34,108,738 shares accepted for exchange out of 161,106,659 shares validly tendered), the Weyerhaeuser-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 CBS Exchange Offer was approximately 7-times oversubscribed (44,723,131 shares accepted for exchange out of 300,229,143 validly tendered), the Pfizer Exchange Offer was approximately 4-times oversubscribed (405,117,195 shares accepted for exchange out of 1,674,974,996 validly tendered), the PPG Exchange Offer was approximately 7-times oversubscribed (10,825,227 shares accepted for exchange out of 68,933,881 shares validly tendered), the BMS Exchange Offer was approximately 2-times oversubscribed (269,285,601 shares accepted for exchange out of 499,484,935 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 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 Exchange Offer was approximately 14-times oversubscribed (18,628,187 shares accepted for exchange out of 262,183,800 shares validly tendered).

The Pricing Mechanism is also consistent with the relief granted in Lazard and its progeny in all other material respects: (i) the value relationship expressed as a ratio of a specified dollar value of

⁷ 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”).

Synchrony Common Stock for each \$100.00 worth of GE Common Stock 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 they will receive in consideration for tendering 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) GE will issue a press release announcing the final exchange ratio by 9:00 a.m. on the trading day immediately preceding the expiration date and will file an amendment to its Schedule TO on the same day setting forth the final exchange ratio and including the press release as an exhibit, thus allowing investors two full trading days to consider the final exchange ratio and decide to tender or withdraw; and (iv) holders of GE Common Stock can also contact GE's information agent at a toll-free number disclosed in the Prospectus to obtain indicative exchange ratios prior to the announcement of the final exchange ratio and the final exchange ratio once it has been publicly announced.

C. The Number of Shares of GE 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) unless the exchange offer remains open for at least ten business days from the date the change is announced. The Prospectus will clearly and unambiguously disclose that the maximum number of shares of GE Common Stock that will be accepted if the Exchange Offer is completed will be equal to the number of shares of Synchrony Common Stock held by GE (i.e., 705,270,833 shares) divided by the final exchange ratio (which will be subject to the upper limit). If a greater number of shares of GE Common Stock are validly tendered and not withdrawn, then those tendered shares would be subject to proration as described above.⁸ If a lesser number of shares of GE Common Stock are validly tendered and not withdrawn, then subject to the satisfaction, or when permissible waiver, of the conditions of the Exchange Offer, including any minimum tender condition, GE will accept the shares so tendered.

As in the BMS, Procter & Gamble, TDCC, Weyerhaeuser-Tri Pointe, CBS, Pfizer, Kraft, Halliburton, Weyerhaeuser-Domtar, PPG and McDonald's Exchange Offers, GE believes that defining the amount of securities GE may accept in the Exchange Offer in accordance with the above, which will be 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) under the Exchange Act, is not coercive or unfair, and should be permitted. In this regard, we note:

⁸ This is similar to the scenario faced in the Citizens Republic Bancorp, Inc. exchange offer, where, because the percentage of securities accepted was dependent 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 unable to specify the exact percentage of the securities being sought. See *Citizens Republic Bancorp* (avail. Aug. 21, 2009).

- The method by which the actual number of shares of GE Common Stock that GE will accept in the Exchange Offer, as well as the upper limit, will be described in detail in the Prospectus and made available to all holders of GE Common Stock in a clear, easy to understand manner. Assuming GE 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.
- We believe the disclosure in the Prospectus will fully define the material terms and features of the Exchange Offer as required by Item 4 of Form S-4 under the Securities Act, and by Item 4 of Schedule TO (including Item 1004(a) and (b) of Regulation M-A referenced therein).
- Pursuant to Rule 13e-4 under the Exchange Act and Rule 162 under the Securities Act, GE will provide withdrawal rights and allow withdrawals until the expiration of the Exchange Offer.
- GE will announce the final exchange ratio by 9:00 a.m. on the trading day immediately preceding the expiration of the Exchange Offer, allowing investors two full trading days to consider the final exchange ratio and decide to tender or withdraw their shares of GE Common Stock.

We understand that, pursuant to Rule 13e-4(e)(3), if there is a change in the Pricing Mechanism and/or the upper limit, then such change would be viewed as change in the amount of securities sought, thus requiring that at least ten business days remain in the Exchange Offer period following the announcement of such change.

D. Other Precedent

The Staff also has an established interpretation of its tender offer pricing rules to permit modified Dutch auction tender offers, 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 offers, (i) the Exchange Offer will provide for *pro rata* acceptance throughout the offer with all securities participating equally in prorationing; (ii) withdrawal rights will exist throughout the offer period; (iii) there will be prompt announcement of the final exchange ratio; and (iv) the offeror will exchange all accepted securities at the highest consideration paid to any security holder under the offer.⁹ Unlike the Pricing Mechanism, however, Dutch auction pricing provides significantly less visibility to investors about the value they will receive, since it merely establishes a range of prices at the outset without providing any visibility during the offer

⁹ SEC Rel. No. 33-6653 (July 11, 1986).

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” and “day 20” pricing constructs.¹⁰

Consistent with the Similar Exchange Offers, GE has not incorporated a minimum exchange ratio because it believes it could result in a windfall to tendering 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. Similarities and Differences from Precedent

1. *Final Exchange Ratio Timing and Disclosure*

The Pricing Mechanism is consistent with the BMS, Procter & Gamble, TXU and Lazard offers but differs from the pricing mechanisms used in the TDCC, Weyerhaeuser-Tri Pointe, CBS, Pfizer, PPG, Kraft, Halliburton, Weyerhaeuser-Domtar and McDonald’s Exchange Offers, with respect to the following points:

- Whereas in the TDCC, Weyerhaeuser-Tri Pointe, CBS, Pfizer, PPG, Kraft, Halliburton, Weyerhaeuser-Domtar and McDonald’s Exchange Offers, 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 expiration date of the exchange offer, the Averaging Period will end on and include the second trading day preceding the expiration date allowing investors two full trading days to consider the final exchange ratio in the Exchange Offer and decide to tender or withdraw at any time during that two-day period.
- The Exchange Offer to be commenced by GE will rely on traditional, timely methods of disclosure of the final pricing and exchange ratio described herein consistent with the “day 18” pricing mechanisms used in the BMS, Procter & Gamble, TXU and Lazard offers and may not provide special internet-based information concerning daily trading prices during the Averaging Period because that was required in the TDCC, Weyerhaeuser-Tri Pointe, CBS, Pfizer, PPG, Kraft, Halliburton, Weyerhaeuser-Domtar and McDonald’s Exchange Offers, only because of the “day 20” pricing timetable used in those offers.

2. *Proxy Pricing*

Consistent with the CBS, Pfizer, BMS, Halliburton and McDonald’s Exchange Offers, no proxy is used to determine the value of Synchrony Common Stock whereas in the TDCC, Weyerhaeuser-Tri Pointe, Procter & Gamble, PPG, Kraft and Weyerhaeuser-Domtar Pricing Mechanisms the value of the

¹⁰ See *Lazard Freres & Co.* (avail. Aug. 11, 1995)

distributed shares was determined by reference to the trading data for an acquiring company. Because the Synchrony Common Stock is already listed and traded on the NYSE, no proxy is required to determine the value of the Synchrony Common Stock.

3. Averaging Period

The Pricing Mechanism is consistent with BMS, Procter & Gamble, TDCC, Weyerhaeuser-Tri Pointe, CBS, Pfizer, PPG, Kraft, Halliburton and Weyerhaeuser-Domtar Pricing Mechanisms in that the exchange ratio of the Exchange Offer is based on a three-day averaging period, while in the McDonald's Exchange Offer the exchange ratio was based on a two-day averaging period and in the TXU and Lazard Offers the exchange ratio was based on a ten-day averaging period.

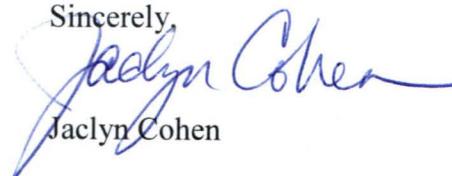
IV. REQUESTED EXEMPTIVE RELIEF

Based on the foregoing, we respectfully request on behalf of GE 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 and the extension of the offer on a change in consideration) with respect to GE's use of the Pricing Mechanism as described in this letter. We note that the relief sought is consistent with the position previously taken by the Staff in the BMS and Procter & Gamble Exchange Offers. It is also consistent with the position previously taken by the Staff in the TDCC, Weyerhaeuser-Tri Pointe, CBS, Pfizer, PPG, Kraft, Halliburton, Weyerhaeuser-Domtar and McDonald's Exchange Offers, and to the extent that the Exchange Offer differs from the TDCC, Weyerhaeuser-Tri Pointe, CBS, Pfizer, PPG, Kraft, Halliburton, Weyerhaeuser-Domtar and McDonald's Exchange Offers, such differences are consistent with the position previously taken by the Staff in BMS, Procter & Gamble, TXU and Lazard and do not affect the adequate dissemination of pricing related information or GE's shareholders' ability to make informed investment decisions with respect to whether or not to participate in the Exchange Offer.

We respectfully request that the Commission issue the requested exemptive relief as soon as practicable.

If you have any questions or comments with respect to this matter, please call me at (212) 310-8891.

Sincerely,



Jaclyn Cohen

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cc: Jonas Svedlund, Esq.
Antje Wilmer, Esq.
Howard Chatzinoff, Esq.