

§ 01.1510) where a person owns, controls or a non-profit entity without U/S  
by the person to appoint the directors, a subsequent merger of the non-profit  
with another subsidiary within the person is exempt  
under section 801.1510 of the rules + not under FO 2.30

This material may be subject to  
the confidentiality provision of  
Section 7A (h) of the Clayton Act  
which restricts release under the  
Freedom of Information Act

April 23, 1991

[Redacted]

Victor Cohen, Esq.  
Premerger Notification Office  
Federal Trade Commission, Room 303  
Sixth Street and Pennsylvania Ave. N.W.  
Washington, D.C. 20580

VIA FEDERAL EXPRESS

Dear Mr. Cohen:

This letter serves to confirm our telephone conversation of April 22, 1991.  
During that conversation, you, [Redacted] and I discussed the potential reportability

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In 1986, nonprofit corporation A and nonprofit corporation B decided  
to combine their operations. The manner in which they proposed to do so was  
by establishing a for-profit management company, C, the voting securities of  
which would be owned equally by A and B. The directors of C were to be  
the voting "members" of A and B, with the authority to elect the directors of  
A and B.

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On December 18, 1986, A and B filed their respective Notification and  
Report Forms under the Act with respect to the above-described transaction.  
Acting on informal guidance from the Premerger Office, each of A and B filed  
both as an acquiring and as an acquired person, and they characterized the  
transaction as a consolidation within the meaning of 16 C.F.R. § 801.2. On  
December 30, 1986, early termination of the statutory waiting period was  
granted.

In early 1987, C was incorporated and the combination of A and B was  
effected. To satisfy state regulatory concerns, the mechanism of the  
consolidation was altered slightly. While each of A and B owns 50% of C's  
voting securities, C's control over A and B is effected through common

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Victor Cohen, Esq.  
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directors. The bylaws of A and B provide that all directors of C, plus C's chief executive officer, must hold seats on the respective boards of A and B.

[REDACTED]

merger of B into A.

Based upon the foregoing facts and our discussion with you about them, it is

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following.

In late 1987, C acquired control of nonprofit corporation D by gaining the right to choose the "members" of D who elect D's directors. C's board of directors exercised this right by appointing themselves as the members of D, and in their capacity as the members of D, they then elected themselves as the directors of D.

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qualified by 16 C.F.R. § 802.20.

C now wishes to effect the merger of D into A.

to the ownership of their respective "voting securities." As a consequence, the merger of D into A would constitute an intraperson transaction under 16 C.F.R. § 802.30.

If this letter does not correctly reflect our conversation or mischaracterizes the views of the Premerger Office, please contact me as soon as possible. Unless I hear from

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Victor Cohen, Esq.

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you to the contrary, I will continue to advise C and its affiliates in accordance with the analysis set forth above. Thank you for your consideration.

Sincerely yours

[REDACTED]

[REDACTED]

[REDACTED]

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C