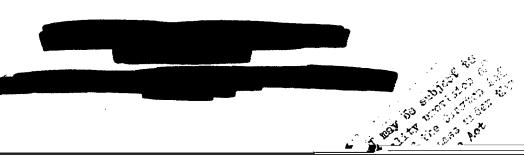
801.1(a)(2); 801.1(b), 17 (c)(1)



December 4, 100

Tild control to the c

Richard Smith, Esq.
Thomas Hancock, Esq
Pre-Merger Notification Office, H-303
Federal Trade Commission
Washington, D.C. 20580

Re:

Dear Mr. Smith and Mr. Hancock:

The purpose of this letter is to request an informal determination in connection with the filing of a pre-merger notification under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act"). The need for a filing arises because

nonprofit public benefit

can properly make a single filing on behalf of its constituent entities. The corollary would be that Foundation, and the "acquiring person of which it is a part," is also obligated to make

Background

only one filing.

The is a system of commonly-owned health care

hospital known as

(the

The The

, and its associated medical clinics. The bed proprietary hospital located in

lso operates a number of medical clinics, which provide outpatient medical and

also located in



Richard Smith, Esq. Thomas Hancock, Esq. December 2, 1991 Page 2

ancillary services (the constituent entities that are being acquired and are contemplating

approximately physician employees. Members of the also operate and staff the that a closed staff, and only members of the community-based physicians under contract to the permitted to admit patients to its facilities. The revenues are therefore derived exclusively from services provided to patients of the

The Hospital Corporation. The is owned and operated by the ' . Under the bylaws of the

order to insulate the members of the from liability for the perations, and to avoid the need to obtain

In addition to the entities described below, the includes two real estate partnerships, Building Company I and Building Company II, which own the real property in which the Clinics are operated. All the partners of the are also partners of these partnerships, and they share common management with the and the

acquired persons, because the acquisition of their assets falls within the exemption for the acquisition of realty in the ordinary course of business under 16 CFR § 802.1. Moreover. with respect

Richard Smith, Esq. Thomas Hancock, Esq. December 2, 1991 Page 3

accreditation of the common services hospital facilities. The common governance and management, as described below.

partnership which owns the real estate and improvements in which the is operated, and leases them to the The partners of are the same

of the The income of

is\_

Under the proposed transaction, the

the

all of their assets to the which which will operate them as a nonprofit hospital and associated outpatient clinics.

## Common Ownership and Management

Through their interlocking partnership interests and stock, the Partners are the common owners of the the the actional interests in the three entities. This common ownership is reflected in the governance and management of the

The thousand horre aleated a success of

is accredited by the Joint Commission on which inspects and accredited by the accredited by the accredited by the which accredits amburatory care racillules.

<sup>&</sup>lt;sup>3</sup> The Partners hold their partnership interests and stock as individuals, so there is no single owner of the three entities.

management for all three organizations.4

Below the level of executive management, the and the management, the and the management, the dedicated functions, but they share common office and other facilities, and use the same staff to perform common services.

## Single Financial Interest

The is an integrated financial system. Its revenues are derived from services provided to persons who are patients of the and, if hospitalization is required, rental payments made by the and by the and by the and by the and to adding companies I and their financial officer, basis.

## Conclusion

structure.

Richard Smith, Esq. Thomas Hancock, Esq. December 2, 1991 Page 5

We look forward to your thoughts, and thank you very much

Very truly vours.



and I were the wint that even though The had the had the same equity and intent holders, no one controlled them under on the HSR rules and each was therefore its own UPE. As such, each was

addition. I advised that football is arroug of the restly

it would be executed as related along of laboratories, in it