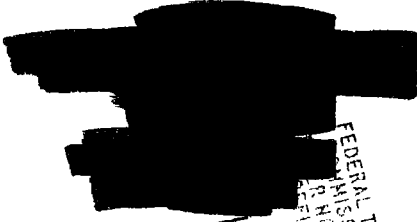
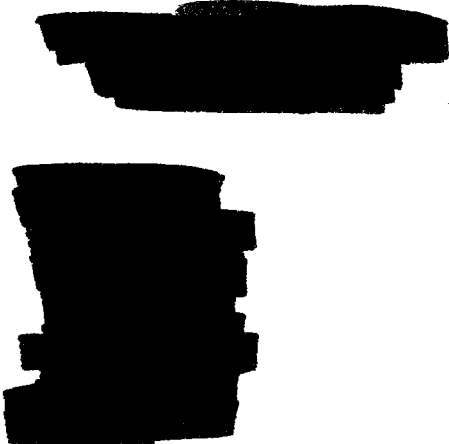


~~807~~ 801.2 (d) - Non-Profit

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



May 27, 1994

FEDERAL TRADE COMMISSION  
REGISTRATION SERVICE  
MAY 27 5 41 PM '94

Richard B. Smith  
Bureau of Competition  
Federal Trade Commission  
Room 323

Dear Mr. Smith:

I am writing to confirm our recent conversations regarding the appropriate manner in which to handle Hart-Scott-Rodino filing with respect to a particular transaction involving two existing non-profit corporations, described here as corporation "A" and corporation "B". As we discussed, both A and B are non-profit, non-stock corporations. A new corporation "X" will be established. Through enactment of bylaw provisions, X will become the sole corporate member of both A and B. It will also have certain reserved powers over the operations of A and B, such as the power to control incurrence of debt, approve strategic

but X's board will have the power to approve all appointments to X's board. X will also elect directors to the boards of A and B, from among persons nominated by the boards of A and B. X could reject nominees made by the A and B boards, until nominees from A or B were made who would be approved by X's board.

You advised me the FTC Premerger Office position with respect to such a situation is that Hart-Scott-Rodino filing should be handled by identifying either A or B as the acquiring person, and identifying the other as the acquired person. You

status, along with the \$25,000 filing fee. The designated

Richard B. Smith  
May 27, 1994  
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made by X itself. You further indicated that the filing should be treated as an assets acquisition for reporting purposes.

You indicated that the same approach as outlined above would apply were a third non-profit, non-stock company, corporation "C"

B. Again, either A, B or C would be identified as the acquiring person, and the other two would be identified as acquired persons. X would not file. One filing fee would be paid.

I appreciate your cooperation in my inquiries. If I have in any way misstated the substance of our discussions, please let me know as soon as possible.

Sincerely,

[Redacted signature]

[Redacted name]

6/3/94 - advise author that letter correctly reflects the PMN position on non-profit merger except that in the next to last paragraph, where A would be acquiring the

[Redacted initials]