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70 x 20 ; 100 - 11-11

[REDACTED]

VIA FACSIMILE

February 6, 1975

Mr. Richard Smith
Premerger Notification Office
Federal Trade Commission
Washington, D.C.

Re: Application of Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act")

Dear Sir:

The purpose of this letter is to advise the exclusion you gave me on behalf of the

company and you agreed with me that the transaction would not be reportable under the Act because the size of transaction test is not satisfied. A16

The proposed transaction is the formation of a limited liability company and involves parties who satisfy the size of person test. Two [REDACTED] will contribute

to the limited liability company, which loans will be documented by promissory notes that state commercially reasonable terms and conditions including scheduled periodic principal

also be given a membership interest in the limited liability company, but will not contribute any [REDACTED] limited liability company nor have any economic interest in the limited liability

board of directors of a corporation. The board will be composed of 9 members, 2 of whom

company will serve ex officio as the main manager.

Under the Premerger Notification Office's recently articulated criteria for determining whether or not memberships of a limited liability company are voting securities, it appears that the memberships in this case should be considered voting securities. Even if these memberships are voting securities, the size of transaction test is not met by any of the parties. The amount contributed by each [REDACTED] to the limited liability company establishes the value of the [REDACTED] of less than \$15 million each. The fact that each [REDACTED] will make a

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loan to the limited liability company should not increase the value of their respective memberships. Therefore, none of the members can be said to hold

memberships confers the right to elect 50%

Very truly yours,

[Redacted signature]

ALD

7/7/95. Writer advised that loan to LLC are being

rate. Advised that if rate were below a commercially reasonable rate, the expense
must be added to value of "voting securities" held by members. Writer advised
that such is not the case here. I concluded in conclusion that formation
of LLC was not reportable under 802.2C. (loans to LLC by members have value
added as assets of LLC.)
RBS