

802.41 ; 801.40

[REDACTED]

[REDACTED]

June 28, 1995

This material may be subject to the confidentiality provisions of Section (b) of the Clayton Act.

VIA HAND DELIVERY

ASSISTANT DIRECTOR
Premerger Notification Office

Bureau of Competition
10th & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear John:

Two not-for-profit [REDACTED] corporations have proposed the joint operation of certain [REDACTED] related businesses. This would involve the formation of two not-for-

profit corporations, one of which would manage a single [REDACTED] and related operations. The parties do not believe that the proposed transaction is reportable under the Hart-Scott-Rodino

Act, however, the parties would like to confirm their assessment with your office.

A is a not-for-profit [REDACTED] corporation and sole statutory member of a not-for-profit [REDACTED] located in City X. A's sole statutory member is a not-for-profit corporation which conducts operations in five states. A has more than \$100 million in total assets.

B is a not-for-profit [REDACTED] corporation whose sole statutory members are individuals appointed to a self-perpetuating board. B is the owner and operator of an [REDACTED] located in City Y [REDACTED] B has assets in [REDACTED]

[REDACTED] propose to organize two new not-for-profit corporations. Newco I will become the sole statutory member of [REDACTED] B while A and Newco II will be the only statutory members of Newco I. The members of Newco II will be individuals serving on a self-perpetuating Board. The initial Newco II Board

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[REDACTED]

provide that upon any dissolution of Newco I, the net distributable assets of Newco I, if any, in an amount equal to the net asset value of [REDACTED] B at the time of the affiliation,

City X. The balance of any such net assets, if any, are to be distributed equally to A and Newco II. Each of A, A's sole statutory member and [REDACTED] B are, and Newco I and Newco II, will be exempt from federal taxation pursuant to Section 501(c) of the Internal Revenue Code of 1986, as amended, as a result of being an organization described in Section 501(c)(3) of such code.

A and B are of the view that the proposed transactions

[REDACTED]

Very truly yours

[REDACTED]

7/14/95 - Enclosed letter that it is the view of [REDACTED]

and Newco II are exempt from reporting requirements since they do not issue voting stock.