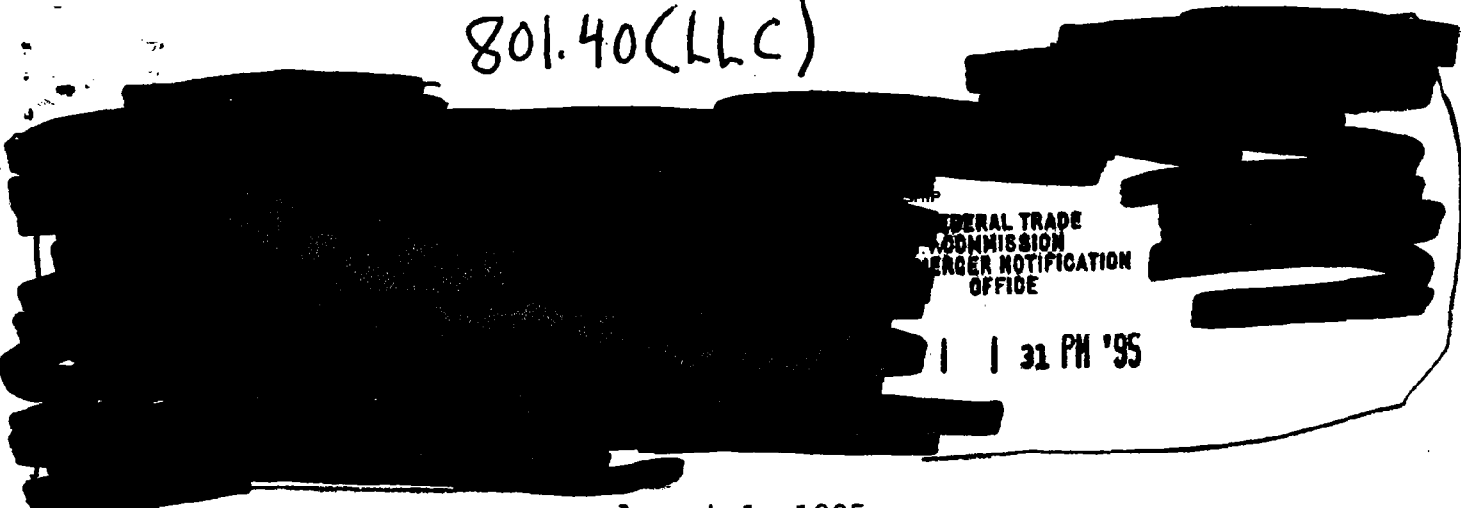


801.40(LLC)



FEDERAL TRADE  
COMMISSION  
MERGER NOTIFICATION  
OFFICE

1 31 PM '95

August 1, 1995

BY HAND

Richard B. Smith, Esquire  
Premerger Notification Office  
Bureau of Competition, Room 303  
Federal Trade Commission  
Sixth St. and Pennsylvania Ave., N.W.  
Washington, D.C. 20580

Dear Dick:

I am writing to memorialize the advice you provided over the phone on July 28 concerning the nonrenegotiability under the

A limited liability company ("LLC") will be created under

LLC in exchange for the LLC's equity interests. Equity interest holders will be denominated the LLC's "Members."

--The LLC will not have a governing body comparable to a corporate board of directors. Thus, there will be no "outside" directors, and no vote for directors by the Members. Instead, the LLC Agreement will indicate that the authority to manage the LLC will be retained by the Members. At any meeting of Members, a Member (acting through a director, officer, employee, or other representative of the Member) will be entitled to vote on any issue presented, with the weight of the representative's vote proportional to the Member's equity interest.

--The LLC Agreement will specify that the Members may

committee, that will have such powers as the members may delegate. Each Member will have the right to appoint one or

[REDACTED]

Richard B. Smith, Esquire  
August 1, 1995  
Page 2

voting power in the committee proportional to the Member's equity interest in the LLC.

--The LLC Agreement will also specify that the Members (or a committee delegated this function) will designate officers of the LLC.

You advised that the above LLC formation transaction would

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Office has determined that LLC formation transactions are only reportable (assuming satisfaction of applicable size tests) when the LLC is to be governed by a body comparable to a corporate board of directors elected by the LLC's Members, and such board includes one or more "outside" directors.

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you concluded that formation of the LLC would not be reportable

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discussed above please call me as soon as possible

Very truly yours,

[REDACTED SIGNATURE]

8/2/95 - Advised writer that formation of this specific LLC would not cause a reportable event under the requirements of § 801.40.

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[REDACTED]

1 11/27/95 RBS