

802.63(a)



December 18, 1995

BY TELECOPY AND U.S. MAIL

Melea Epps
Pre-Merger Notification Office
Federal Trade Commission
6th St. & Pennsylvania Ave., N.W.
Washington, DC 20580

COMMUNICATIONS SECTION
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580
TELEPHONE (202) 326-7200
FACSIMILE (202) 326-7200

Re: Applicability of 16 C.F.R. 802.63 to Acquisition by Hospital of
Medical Group Practice

Dear Ms. Epps:

This letter confirms our telephone conversation of December 12, 1995 in
which we discussed the applicability of 16 C.F.R. 802.63(a) to the acquisition of the

As we discussed, our client is a non-profit, tax-exempt hospital corporation
(the "Hospital"). The Hospital has advanced funds in the ordinary course of its business
to the medical group. The total amount of the outstanding unpaid principal and interest is
in excess of \$15 million (the "Debt"). The Hospital has determined that the medical
group does not currently have, and is unlikely to have in the future, the capacity to repay
the Debt. Accordingly, the Hospital and medical group have agreed to a plan of sale

You advised me that, in these circumstances, Commission staff would view
the transaction as within the debt work-out exemption of 16 C.F.R. § 802.63(a) and
therefore exempt from reporting under the Hart Scott Rodino Act. Section 802.63(a)

[REDACTED]

Melca Epps
December 18, 1995
Page 2

[REDACTED]

made by a creditor in a bona fide credit transaction entered into in the ordinary course of
the creditor's business." You agreed that the exemption would apply since the creditor

Our client is proposing to close this transaction by no later than
December 31, 1995. Accordingly, we would appreciate it if you would advise us within
five (5) business days if you disagree in any respect with the contents of this letter.

cc: Richard Smith

[REDACTED]

[REDACTED]