

[REDACTED]

December 27, 1995

202-226-2624

Ms. Nancy Ovuka
Premerger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
6th Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Formation of a Limited Liability Company

Dear Ms. Ovuka:

Attached is an outline of a transaction that involves the formation of a limited liability company. We believe that the described transaction is exempt from the reporting requirements of the Hart-Scott-Rodino Antitrust Improvements Act.

convenience.

[REDACTED]

This document contains information that is exempt from release under the Freedom of Information Act.

TRANSACTION OUTLINE

This transaction involves the formation of a limited liability company that will provide [redacted] services to third parties. This outline has been created to facilitate the determination that the formation of such a limited liability company is not subject to the reporting requirements of the Hart-Scott-Rodino Antitrust

For discussion purposes, assume that each of parties A and B (who are each their own "ultimate parent entities") meet the \$100 million "size of person" test.

limited liability company ("NewCo LLC").

2. Upon formation of NewCo LLC, A1 and B1 will contribute cash (collectively totalling less than \$10 million) to NewCo LLC, in exchange for a 75% and 25% membership interest, respectively, in NewCo LLC. Over time, A1 and B1 may make additional capital contributions to fund NewCo LLC's capital and operating needs.

Governance of NewCo LLC

1. NewCo LLC will be governed by its members.
2. Officers of NewCo LLC (who may be persons other than officers, directors or employees of A or B or their respective "controlled entities") will be responsible for the day-to-day operations of NewCo LLC under the supervision and direction of its members. The officers of NewCo LLC will be specifically prohibited from exercising any "board of directors" type powers (e.g. sale of NewCo LLC, merger or consolidation of NewCo LLC, voluntary liquidation or dissolution of NewCo LLC, incurrence of significant indebtedness, etc). These types of powers will be specifically reserved to the members. The members will generally vote on such matters in proportion to their respective membership interests in NewCo LLC (with members holding a majority of the membership interests having the right to control the vote), except as to certain matters which require the approval of all members (regardless of the size of the membership interest held by each such member).

