

801.40 (LLC)

PREMERGER NOTIFICATION

January 2, 1996

VIA FAX - 202/326-2624

This material may be subject to the confidentiality provisions of Section

Premerger Notification Office
Federal Trade Commission
Bureau of Competition
Washington, D.C. 20580

Re: Rule 801.40 - Joint Venture

DEAR MR. SMITH:

Thank you for the opportunity to visit by telephone last week. The Heart-Scott-Rodino Antitrust Improvement Act of 1976 (Act)

outlined certain facts surrounding the formation of a joint venture between the [redacted] for the operation of a hospital in [redacted]. The parties were discussing whether to structure the transaction as a limited partnership or limited liability company and the impact of such decision on whether a

of my earlier letter. The [redacted] would appoint the Class A Governors and they would consist solely of directors, officers and/or employees of the [redacted]. [redacted] would appoint the Class B Governors and not less than three of five of those Class B Governors would be officers, employees, or directors of [redacted]. The remaining two positions on the Class B Board of Governors would

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be filled by a physician on staff with the Hospital and a

sixty percent and possibly eighty percent of the Class B Governors would be "insiders". As indicated in the earlier letter, the Class A Board of Governors and the Class B Board of Governors each initially hold 50% of the voting power of the joint venture.

Based on our conversation last Wednesday, it would appear to the slight variation of the make-up of [redacted] Class B Board of Directors, we are again requesting an informal statement of the FTC's position on this matter. Because more than a majority (at least 60%) will consist of insiders to [redacted], it would be our

to discuss this matter. As we are anxious to move forward with structuring the transaction, I would ask that if at all possible you contact me on Wednesday since we are attempting to make a [redacted] conference [redacted] or one of his representatives from [redacted] on the call so that we can clarify and properly address any questions that you may have. Your assistance and cooperation in responding to this inquiry are greatly appreciated.

I look forward to hearing from you.

Cordially yours,

[redacted signature]

[redacted]

1/4/96 - Advised writer, who confirmed that [redacted] would stay in existence. That since [redacted] would not be deemed to be taking back voting stock in LLC and only [redacted] would be deemed to be acquiring 100% of the LLC's voting stock, i.e., the [redacted]

more than 1 person, would be responsible. RB Smith