801.2(d); 802.40(a)

[redacted]

R 5 2 29 PM '9

March 1, 1996

CERTIFIED MAIL
Mr. Richard B. Smith
Federal Trade Commission
Assistant Chief
Premerger Notification Office
Bureau of Competition

This material may be subject to the confidentiality provisions of Section 7A(h) of the Clayton Act which restricts release under the Freedom of Information

Re: Acquisition of a Membership in a Nonstock, Nonprofit Corporation as an Acquisition of Assets

Dear Mr. Smith:

I am writing to confirm our phone conference of February 29, 1996 with [redacted] and [redacted] and me of this office.

As we discussed, [redacted] represents an "Acquiring Person" who will become the sole member of a Virginia nonstock, nonprofit corporation which operates an [redacted] (the

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any restructuring in the memberships of nonstock, nonprofit corporations is considered a consolidation within the meaning of Section 801.2(d) of the Regulations, but that the Federal Trade Commission treats such acquisitions of membership interests in nonstock corporations as asset acquisitions for report form and valuation purposes. Furthermore, you confirmed that Section 802.20(b) of the Regulations, which provides that acquisitions of voting securities which confer control of an issuer with annual net sales or total assets of $25,000,000 or more, is inapplicable to our transaction.

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Accordingly, the acquisition of a membership interest in a nonstock, nonprofit corporation is only be reportable if the parties meet the size of the parties test and the fair market value of the assets to be acquired are more than $15,000,000.

I trust this letter accurately reflects [illegible] conference. [illegible]

Very truly yours,

[redacted]

[redacted]

3/6/96 - Advised writer that, in paragraph two above, the above given is that of an informal interpretation by the Premerger Office which is [illegible]

[illegible]

valuation purposes and, as such, 802.20(6) does not come into play.

RBSmith