

801.40 (LLC formation)

COMMISSION
MERGER NOTIFICATION
OFFICE

MAR 18 10 50 AM '96

March 14, 1996

Richard B. Smith, Esq.
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
Washington, D.C. 20540

Dear Mr. Smith:

This letter confirms our telephone conversation of March 12, 1996 in which you

Specifically, I outlined for your consideration the following fact situation:

By-Products"), a subsidiary of [redacted] and an affiliate of [redacted] intend to form a joint business venture in the form of a limited liability company ("LLC") which will provide supply, storage, transportation, acquisition, planning and related services for [redacted] and its affiliates and [redacted] and its affiliates. Additionally, the joint venture will provide [redacted] supply, marketing, sales, management and related services to others.

By-Products and Energy will each contribute an initial \$500,000 towards the operation of the joint venture. As part of the formation [redacted] will assign (by assignment, release or other contractual means) title to their respective natural supply, storage, transportation and marketing contracts. Similarly, [redacted]

The joint venture will be in the form of an LLC in which the representatives of each joint venture participant on the Board of the LLC are required by the joint venture

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[REDACTED]

Richard B. Smith, Esq.
March 14, 1996
Page 2

documentation to be appointed from among the directors, officers or employees of the respective designating participant.

Under the above facts, you have confirmed that the formation of this LLC is exempt from HSR filing requirements because in these circumstances it is your Office's view that

Thank you very much for the assistance and guidance you have provided in this matter.

Very truly yours,

[REDACTED]

3/19/96 I advised writer's assistant that no filing was required under rule 801.40 for the formation of the LLC since no "voting stock" would be issued by the participants based on the appointment of their respective officers, directors or employees to the LLC

R. B. Smith