

801.1 (c)

PREMERGER NOTIFICATION

[REDACTED]

VIA FACSIMILE

July 22, 1996

Mr. John Sipple  
Premerger Notification Office  
Federal Trade Commission  
Washington, D.C.

Re: Application of Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act")

Dear John:

Pursuant to your request during our telephone conversation on July 18, I am writing this letter for purpose of asking you, on behalf of the Premerger Notification Office, to review (i) the relationship among certain religious sponsored not-for-profit entities and (ii) the terms of a proposed transaction between two of such entities, so that you can advise me with respect to the application of the Act to the proposed transaction and future filings made under the Act.

Sponsorship Structure.

A religious order (the "Order") is the sponsor of five not-for-profit corporations, which are [REDACTED] system corporation [REDACTED], an administrative services corporation ("Services"), a college ("College"), an academy ("Academy") and an operating company [REDACTED]

services, such as administration of retirement plans, and insurance, to the Order and the other four sponsored corporations. Services is a captive, in that it does not provide administrative services or insurance to any outside entities. All of the [REDACTED] activities sponsored by the Order are conducted by [REDACTED] and its controlled entities.

[REDACTED] and College are not-for-profit entities without corporate members or [REDACTED] and the [REDACTED] of their [REDACTED] are the same with respect to the election of [REDACTED]

[REDACTED]

Mr. John Sipple  
Premerger Notification Office  
July 22, 1996  
Page 2

directors. The President of [REDACTED] is a Class 2 director. At all times the board must be composed so that one-third of the board members are members of the Order, one half of the board members (including the Order members) are members of religious orders of the Catholic

(i.e., a self-selected group).

[REDACTED] Services Academy and Inc. are not for-profit corporations having members but certain administrative positions with the Order are the members of these three corporations and such individuals also are the directors of the corporations.

The Order does not have the right to receive the profits of any of its sponsored corporations. Under the terms of their charters, upon dissolution, the assets of those corporations may be distributed only to the Order, but may be used otherwise in keeping with the charitable and not-for-profit purposes of the corporation, as determined by the board of directors of the corporation.

In prior filings under the Act, based upon prior oral advice from the Premerger Notification Office [REDACTED] which has filed a \$100 million report has not included financial statements or revenues of the Order or any

[REDACTED]

under the Act will be satisfied by the proposed transfer. Likewise, if [REDACTED] and Services

#### Analysis.

Although the Order does not "control" either [REDACTED] or Services (as such term is defined under the Act's regulations), you stated in our telephone conversation that you would consider the Order to be the ultimate parent entity of both [REDACTED] and Services. If that is

the definition of "hold" in 16 C.F.R. §801.1(c) in reaching this position. Please confirm that this transaction is not reportable under the Act because [REDACTED] and Services have the same ultimate parent entity.

Mr. John Sipple  
Premerger Notification Office  
July 22, 1996  
Page 3

In our telephone conversation, you also stated that when determining the size of person of [redacted] in future transactions we should include the assets and revenues of the Order and the other four sponsored corporations. With respect to future filings made by [redacted]

[redacted] in your earliest opportunity. If things must be made for the proposed transaction, the parties would like to file by the end of this week. Thanks for your cooperation.

Very truly yours,

[redacted signature]

7/26/96 John Sipple confirmed that the PMN office  
cc [redacted] and Service

proposed transaction, no filings would be advised. As to what need be provided in [redacted] response to item 4 (a) and (b)

[redacted signature]