

[REDACTED]

VIA FACSIMILE

July 31, 1996

Mr. Richard Smith

Federal Trade Commission
Washington, D.C.

This material may be subject to the
confidentiality provisions of Section
552(b)(7)(C) of the Freedom of Information Act.

Please release under the Freedom of Information Act.

JUL 31 1 09 PM '96
FEDERAL TRADE COMMISSION

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

Dear Dick:

For the purpose of this letter, we will assume that the jurisdictional tests of the Act are met by the parties and the proposed transaction. The proposed transaction involves the formation of a new, non-stock, not-for-profit corporation by two entities, Joint Venture A and Holding Company B. Joint Venture A is an unincorporated joint venture between Health System A-1 and Health System A-2. As part of the joint venture, Health System A-1 is the sole common stockholder of Hospital A, a stock, not-for-profit corporation, and Health System B-1 is the sole holder of convertible debentures issued by Hospital A. In their capacities as stockholder and debenture holder, Health System A-1 and Health System A-2 have equal control over Hospital A and are each ultimate parent entities of Hospital A. Health System A-1 and Health System A-2

Holding Company B is a non-stock, not-for-profit corporation, which has as its corporate members certain osteopathic physicians practicing medicine at Hospital B and the Related Companies.

outside of its interests in Hospital B and the Related Companies.

Joint Venture A and Holding Company B propose to form a not-for-profit corporation to

SENT BY [REDACTED]

: 7-31-96 :11:23AM :

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Premerger Notification Office
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Venture A will contribute to Newco the stock and debentures of Hospital A and Holding Company B will contribute to Newco the corporate membership in Hospital B. Holding Company C will also contribute to Newco the voting committee and corporate membership of the

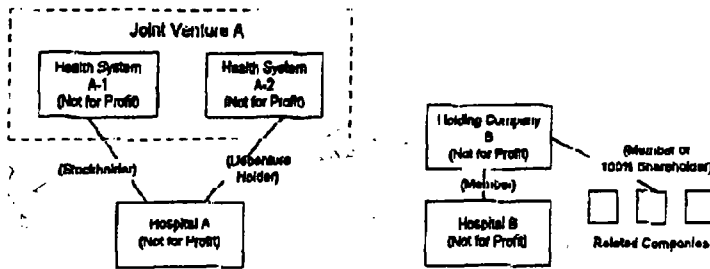
will have the right to elect an equal number of directors to the Newco board of directors.

The structure prior to the formation of Newco and after the formation of Newco is depicted on the diagram attached to this letter.

On the basis of our previous conversations regarding the formation of non-stock, not-for-profit corporations, I believe that the Premerger Notification Office may view this proposed transaction as the formation of a non-stock, not-for-profit joint venture corporation which does not require premerger notification under the Act. I would like to speak with you as soon as possible to discuss the Premerger Notification Office's position with respect to this proposed transaction. Please telephone me at [REDACTED] at your earliest convenience.

Very truly yours,
[REDACTED]

Before Transaction



Transaction

the memberships and voting securities of Hospital D's related companies.

After Transaction

