

[REDACTED]

Victor Cohen, Esq.

December 16, 1996

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establishment of the overall capital and operating budgets and strategic plans for all of the hospitals, appointment of the CEO, entry into managed care contracts on behalf of the hospitals, sales or other transfers of less than substantially all the assets of the hospitals, and determination as to whether the system should join any networks or other integrated delivery systems.

[REDACTED]

The JOA also will establish three subregions, which will not be separate corporations.

board. Member C will appoint 10 of the 19 members of the second subregional board, and Member B will appoint nine members. Member B will appoint 15 of 20 members of the third subregional board, and member D will appoint five members.

[REDACTED]

established by the System's Board, and the power to authorize the incurrence of debt below the thresholds permitted by the system board.

You advised us that the formation and operation of this JOA does not constitute a

[REDACTED]

operation and management of the hospitals in the System, no reportable acquisition will occur if the System is not a \$10 million person. No Member could be deemed to have acquired the

[REDACTED]

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Thank you very much for your assistance.

Sincerely,

[REDACTED]

[REDACTED] Facts presented indicate that the 4 entities have entered into a partnership agreement for the operation of the hospitals. If there is a management with operation of hospital by persons not-holder would
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Notes 1 - 2 - 771

services may be illegal
trade in violation of both
R.S. agrees

conspiracy in restraint of
the Sherman Act & FTC