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June 16, 1998

VIA HAND DELIVERY

Richard B. Smith, Esq.
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
Room 323
6th & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

This letter is being sent to the
FTC on [REDACTED]
[REDACTED]
[REDACTED]

Dear Dick:

This is a request for confirmation that the transaction described herein is not reportable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15 U.S.C. § 18a ("HSR Act").

number of members of its board of trustees. As we discussed, the parties do not believe this

The parties to the proposed affiliation are Religious Order ("RO"), a nonprofit entity that is currently the sole corporate member of a nonprofit hospital ("A Hospital"), and Community hospital ("B Hospital"). RO and CB propose to form a new 501(c)3 entity ("Newco") to become the sole corporate member of A Hospital and B Hospital. Under Newco's bylaws, RO and CB

The Corporate Members will have the right, among other things, to appoint the President and Chief Executive Officer, amend the certificate of incorporation or bylaws, and dissolve, liquidate or sell Newco.

Newco will also have a seventeen member Board of Trustees to direct Newco's business. The RO Corporate Members and the CB Corporate Members will each have the right to appoint six members to the Board of Trustees. These twelve members will select four additional

Mr. Richard B. Smith, Esq.
June 16, 1998
Page 2

by the eight Corporate Members) will serve as the seventeenth member of the board in an ex-officio capacity with full voting rights.

To implement the proposed affiliation, A Hospital and B Hospital will each adopt new bylaws that acknowledge that Newco is the sole corporate member of each of them. After the formation of Newco is consummated, CB will hold no health care assets other than its membership interest in Newco.

confirmation of their conclusion.

contact me at

6/24/98 - Advised writer that formation of Newco was non-negotiable under 801.10. Newco

memberships in

Newco (which will become the common parent of A & B). A & B Board of Trustees will not be controlled by either H O or C H. (However some gov. issues)
RBSmith