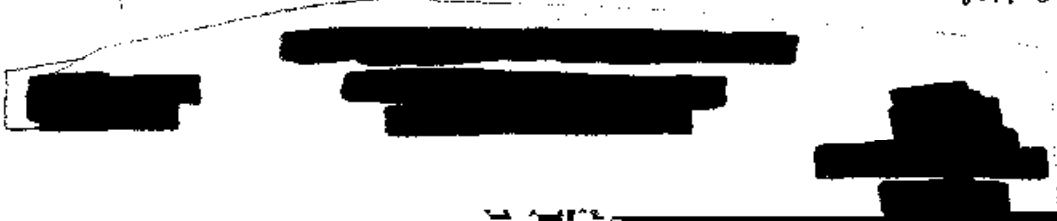


801.11
801.10



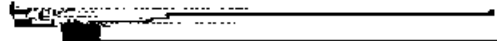
VIA FACSIMILE

John Patrick Sharpe
Premerger Notification Office
Bureau of Competition
Sixth & Pennsylvania Avenue, N.W.
Room 303
Washington, DC 20580

Re: Premerger Notification Requirements Under the Hart-Scott-Rodino
Antitrust Improvements Act of 1996, as Amended (the "Act")

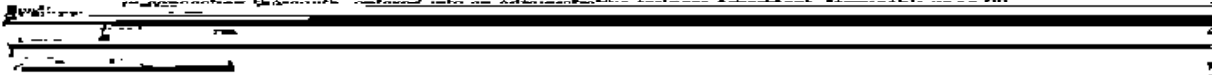
Dear Pat:

As I indicated in my phone mail message this afternoon, our client is engaging in a transaction that we believe does not require the filing of a premerger notification report from



administrative services to Medical Center, a not-for-profit corporation. Medical Center operates a regulated business that requires a certificate of need (a "CON"). In 1991, Manager purchased certain tangible assets from Medical Center for a purchase price of less than \$10 million and,

not reportable under H-S-R



-50 The parties now wish to effect a transaction in which Medical Center's operations will be transferred to a new entity ("NewCo") that will apply for a new CON. NewCo will be owned by two officers of Manager, each of whom owns less than 10% of Manager's voting

Not reportable under H-S-R 801.10

1. Manager will pay \$20 million to Medical Center in consideration for Medical granting to Manager the right to continue to operate under the Administrative Services

being sold to NewCo!

[redacted]
John Patrick Sharpe
July 1, 1998
Page 2

Agreement for an extended period of time, as well as in consideration for Medical Center's agreement to cooperate in the transactions described below.

administrative services agreement with Manager that cannot be terminated without cause.

[redacted]

[redacted]

*not report
lunch 4/20*

4. If the CON is granted, NewCo will purchase from Medical Center ^{in sales and assets} all of the relevant patient records for a purchase price of \$600,000, and NewCo and Manager will enter

[redacted]

[redacted]

To the extent the covenant might be thought of as something like an asset, it is created, rather than transferred or acquired, at the time it is given. With respect to the purchase of assets by NewCo, NewCo would not meet the size-of-the-party test and the \$600,000 purchase price would not meet the size-of-the-transaction requirement.

not NewCo, but the officers who are the OPEs.

what is the fair market value of the medical center business being acquired?

[redacted]

John Patrick Sharpe
July 1, 1998
Page 3

Once you have had a chance to review this letter, I would appreciate it if you would call me at the above-referenced telephone number to confirm our conclusion. In the meantime, please call me if you have any questions or comments regarding the foregoing. Thank you in advance for your prompt consideration of this matter.

Very truly yours,

[redacted signature]

821730.1

cc:

[redacted cc list]

42 P [redacted]

control NEWCO have less than \$10.0m, the formation of NEWCO and subsequent acquisition do not meet the size-of-person test required by 801.11. As a result, the transaction is not reportable and the acquiring person does not have to determine the size-of-transaction.

(RS)

(RS) - concurs