

801.40  
801.10

April 1, 1999

**VIA TELECOPY**

Ms. Nancy Ovuka  
Premerger Notification Office  
Federal Trade Commission  
6th St. and Pennsylvania Ave., N.W.  
Room 303  
Washington, D.C. 20580

Re: Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act")

Dear Nancy:

This letter confirms the advice that you provided to me last Friday, March 26, 1999 regarding the non-applicability of the reporting requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") as they related to the formation of a not-for-profit joint venture. The relevant facts are set forth below.

A1, a not-for-profit corporation (the "ultimate parent entity" of which is A), and B

precursor to the transaction, must obtain a Section 513 exemption letter from the Internal Revenue

In connection with the formation of NewCo: (1) A1 will contribute to NewCo \$1.34 million; (2) A1 will contribute to NewCo three nursing home facilities in exchange for approximately \$27 million in cash; and (3) A1 will receive 33% of the membership interests of NewCo and B will receive 67% of the membership interests in NewCo.

*not-  
equilization  
& payment, but  
value of  
assets*

