

PHN Formal Litigation #1



June 7, 1999

HAND DELIVERY

Richard B. Smith
Deputy Assistant Director
Premerger Notification Office
Federal Trade Commission
Room 11-323
6th and Pennsylvania Avenue, N.W.
Washington, DC 20580

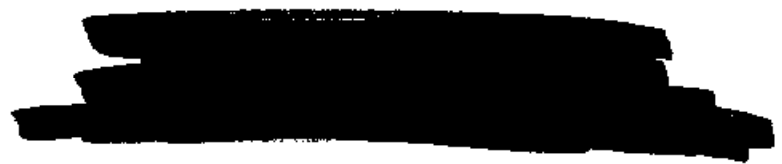
Dear Mr. Smith:

This is to confirm that the following transaction, which we discussed about May 20, 1999, is not reportable. The assets of four separate companies, each of which companies is presently owned 50/50 by two adult brothers, will be placed in a newly-created limited liability company (LLC), resulting in four LLCs. Then the membership interests of the four LLCs will be contributed to a newly-created holding company LLC, which will be owned 50/50 by the two brothers. Therefore, the holding company will own 51% of the membership interest in the LLC from the brothers. The result will be that the third party will own 51% of the LLC and the brothers will jointly own 49% of the LLC.

The creation of the four LLCs and the LLC holding company is exempt from making a Hart-Scott-Rodino filing because a filing is required only if two or more pre-existing, separately-controlled businesses will be contributed to the LLC. Formal Interpretation Number 15.64 Fed. Reg. 5808, 5809 (Feb. 5, 1999). Here, the businesses

will be controlled by the same parties before and after the creation of the LLCs. reportable, although the size-of-parties and size-of-transaction tests are met. This is

(2) 100% of the LLC is acquired. id. In our situation, cash is the consideration, and less than a 100% interest is being acquired. Therefore, no filing is required. -



Richard B. Smith
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Please advise me within three (3) days of your receipt of this letter if you disagree.

Thank you very much.

Sincerely,

[Redacted signature]

[Redacted text]

[Redacted text]

sentenced in excess, not one in ten years you
formed by the two adult brothers. No reportable h.c. functions
are taking place. MV agrees with conclusion.
RBSmith

[Redacted text]