June 29, 2000

BY FACSIMILE TRANSMISSION

Mr. Michael Verne
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
Sixth & Pennsylvania Avenue, NW
Washington, DC 20580

> Re: Application of 16 C.F.R. § 802.2(d) to the
>   Acquisition of Assisted Living Facilities

Dear Mike:

This letter is to confirm our conversation of this afternoon regarding the applicability of the residential property exemption, 16 C.F.R. § 802.2(d), to the acquisition of an assisted living facility discussed below.

I explained that the transaction in question was an asset acquisition meeting the Act's jurisdictional thresholds, 15 U.S.C. § 18a(a). The asset in question is an assisted living facility that operates under license from the state of its operation. There are no medical facilities or skilled nursing facilities on the premises. There are no doctors on staff. As required by state law, there is a registered nurse on duty at all times whose responsibilities include supervision of assistance with daily living, the management and administration of medication, and responding to emergency situations.

Based on the facts as described above, you concluded that the transaction did fall within the 802.2(d) exemption. You cautioned that if there were medical facilities or skilled nursing facilities on the premises, that those assets would have to be separately valued and subject to the Act's size-of-the transaction test, 15 U.S.C. § 18a(a)(2). You also noted that if there were businesses operated on the premises other than the assisted living facility, that those businesses would have to be separately valued as well, subject to 802.2(d)(3).

I would appreciate if you could confirm that I have accurately recounted our conversation. If I have in any way misstated our conversation, please let me know so that I can correct the record.

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Thank you for your quick help in this matter.

Best regards.

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cc: ████████████████

AGREE - EXEMPT UNDER 802.2 (d)

Bruce Verne
6/30/00