

[Redacted]

[Redacted] LLC  
Interp. No. 15

[Redacted]

10/19/2000

October 19, 2000

BY TELECOPIER TO: 202-326-2624

Ms. Alice Villavicencio  
Premerger Notification Office  
Bureau of Competition  
Federal Trade Commission  
6th Street and Pennsylvania Avenue, N.W.  
Washington, DC 20560

Dear Ms. Villavicencio

As you may recall, I called you to ask whether a transaction would be reportable under the following hypothetical, which assumes that both the size-of-the-person and size-of-the-transaction tests are satisfied.

Company A and Company B will each contribute assets constituting separate businesses to a limited partnership to be contemporaneously formed by them ("LP"). The general partner of the LP will be a limited liability company ("LLC"), also to be contemporaneously formed by them.

• The LP will have the following structure:

- Company A - limited partner (80%)
- Company B - limited partner (18%)
- LLC - general partner (2%)

*is the only controlling person of the LP.*

• The LLC will have the following structure:

- Company A - 50%
- Company B - 50%

I understand the PNO's position to be that no part of this transaction would be reportable.

Page 2

- First, the contribution of the businesses to the LP would be treated the same way as the contribution of the businesses to a general partnership: that is, the transaction simply would not be reportable regardless of the number of partners or the amount of their respective ownership interests.
- Second, the formation of the LLC and acquisition by the LLC of a two percent interest in the LP would not be reportable because the LLC does not "control" the LP and thus two separate businesses are not being combined under the LLC within the meaning of Formal Interpretation 15.

I would appreciate your confirmation that my understanding is correct.

Sincerely,



*Two "distinct"  
separate businesses  
will not be combined.  
Thus, an LLC will not be  
formed. - FORMAL  
Interpretation 15*

*Called Writer on Oct. 25, 2000  
AMV*