

7A(C)(4)



July 31, 2002

2002 JUL 31 P 8:41
FEDERAL TRADE COMMISSION
PREMERGER NOTIFICATION
OFFICE

VIA FACSIMILE

Michael Verne, [redacted]
Premerger Notification Office
Federal Trade Commission
600 Pennsylvania Avenue
Washington, D.C. 20580

Dear Mike:

As I stated I would, I am writing to confirm our telephone conversation this afternoon in which [redacted] P.C. also participated. [redacted] and I described the following situation to you:

The [redacted] recently obtained a deed in lieu of foreclosure to substantially all of the assets of Hospital A. This deed was obtained in lieu of a foreclosure on a mortgage held by [redacted] Hospital A continues to operate under its pre-existing management, and the deed is currently held in escrow pending the sale by [redacted] the assets to an independent party. [redacted] recently conducted an auction of the assets. Our client, Hospital B, won the auction. Before taking title to the assets, B will be required to obtain approval from a state licensing authority. In the interim, [redacted] requires that Hospital B execute a management agreement with Hospital A and take over the management of Hospital A. Once state approval is obtained, a closing will be held. Hospital A's assets will then be released from escrow to [redacted] which will then convey them to Hospital B.

Our view, in which you concurred, was that because B's purchase of the assets of A will be from [redacted] federal agency, the acquisition will be exempt from HSR reporting pursuant to Section 7A(c)(4) of the HSR Act, which exempts "transfers to or from a Federal agency." And because the acquisition will be exempt, there is no impediment to A and B entering the management agreement required by [redacted]



[REDACTED]
Michael Verne, Esq.
July 31, 2002
Page 2

If we do not hear back from you, we will assume you agree with our analysis.
Thanks and regards.

[REDACTED]

[REDACTED]

cc: [REDACTED]

AGREE - BENEFICIAL OWNERSHIP HAS PASSED TO [REDACTED] AT THE TIME THE ASSETS GO INTO ESCROW. THE SUBSEQUENT TRANSFER TO B FROM [REDACTED] IS EXEMPT UNDER 7A(C)(4), THEREFORE THERE IS NO IMPEDIMENT TO ENTERING INTO THE MANAGEMENT AGREEMENT.

B. Michael Verne
8/1/02

[REDACTED]

[REDACTED]

[REDACTED]