

7A(c)(4)

[REDACTED]
ATTORNEYS AT LAW

WRITER
WRITER

August 5, 2002

Reply To [REDACTED]

VIA FACSIMILE

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

[REDACTED]
OF COUNSEL
[REDACTED]

Dear Mr. Verne:

We are writing to confirm our understanding of our telephone conversation on August 1st. We called you regarding a proposed purchase of a hospital's assets which was described in a July 31, 2002 letter to you from [REDACTED] (a copy of the letter is attached).

As discussed in Mr. [REDACTED] letter, Hospital A plans to transfer substantially all of its assets to the [REDACTED] at a closing in which Hospital B will purchase the assets directly from [REDACTED]. Based on our prior conversations, we understand that this transaction would be exempt from reporting pursuant to Section 7A(c)(4) of the Hart-Scott-Rodino ("HSR") Act, which exempts "transfers to or from a Federal agency."

In our August 1st telephone conversation, we posed a follow-up issue. Given the requirements of the Certificate of Need laws in the State of New York and the interest of [REDACTED] in completing the asset sale transaction as quickly as possible, it may be necessary for the closing to occur prior to the New York Department of Health's issuance of an operating certificate to Hospital B to operate a hospital at Hospital A's location. In such event, Hospital B will enter into a management agreement with Hospital A as well as a lease agreement, which will allow Hospital A (which has a current operating certificate) to operate a hospital under Hospital B's management while the parties are awaiting Department of Health approval. This management

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and lease transaction would be a temporary measure which would continue during the Department of Health's regulatory approval process.

Based on our prior conversations, we understand that a management agreement and lease agreement between Hospital A and Hospital B would not change the previous conclusion that an HSR notice is not required for the asset purchase transaction. Further, the management agreement and lease agreement in and of themselves will not require an HSR notice.

If we do not hear back from you, we will assume that our understanding of our prior conversations and the foregoing analysis is correct.

Thank you for your assistance in this matter.

Sincerely,

[REDACTED]

cc:

[REDACTED]

[REDACTED]

[REDACTED]