

7A(c)(4)  
802.30

Verne, Michael

From: [REDACTED]  
Sent: Wednesday, August 06, 2003 3:38 PM  
To: Verne, Michael  
Cc: [REDACTED]  
Subject: HSR Advice.

Hi Mike - I am hoping for your guidance on the reportability of the following transactions:

Pursuant to an LLC Agreement, Company A and Company B will form a Limited Liability Company ("LLC") (Transaction 1). Company A is a public corporation and a subdivision of the state of Oregon. Company B is "controlled" for HSR purposes by Company A. Company A will contribute \$25 million to the LLC and will be entitled to 25% of the membership interests. Company B will contribute \$5 million to the LLC and will be entitled to 75% of the membership interests. Company B will also borrow an additional \$70 million, which will be contributed to the LLC at some point in the future. (It is likely that both Company A and Company B will be obligors under the loan agreement and will issue debt directly to the public.) Please assume for purposes of analysis that both Company A and Company B will be \$100 million persons.

It is further contemplated that Company A and Company B will form a corporate entity ("Newco") which will immediately apply for non profit status (Transaction 2). Bonds will be issued on a nonrecourse basis by Company A, and loaned to the LLC, with Company B probably being a recourse co-obligor. Newco will assume all the LLC's assets and liabilities as soon as it receives 501 (c) (3) status.

I am hoping that you can confirm that neither of these transactions will be reportable as follows:

\*\*Transaction 1 should not be reportable because the two businesses being contributed are both controlled by Company A. They would therefore not be considered "two preexisting, separately controlled businesses."

\*\*Transaction 2 should also not be reportable under 16 CFR Section 802.30 and 802.40 and should be exempt under 7A c 4 (transfers to or from a Federal agency or a State or political subdivision thereof).

Thank you.

AGREE - THIS IS NON-REPORTABLE.

Bruchel Ven  
8/7/03

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]