

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Telecopier: [REDACTED]

April 11, 1995

VIA TELECOPY

A17

Ms. Alice Villavicencio
Premerger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
6th Street and Pennsylvania Ave.
Washington, D.C. 20580

Dear Ms. Villavicencio:

Pursuant to your request during our phone conversation last week, I am writing for advice on whether your office considers a proposed transaction to be reportable under Section 7A of the Clayton Act. We do not represent either party in the proposed transaction.

At issue is whether the proposed transaction is exempt from reporting under Section 7A(c)(4) of the Clayton Act or Section 801.1(a)(2) of the implementing rules. You may assume for purposes of your analysis that the proposed transaction would be reportable if it does not qualify for one of these exemptions.

The proposed transaction involves two [REDACTED]. The first [REDACTED] is a [REDACTED] owned and operated by a nonprofit corporation which is controlled by [REDACTED] A. The second [REDACTED] (" [REDACTED] ") is owned and operated by [REDACTED] public [REDACTED] which was founded under an act of the U.S. Congress. Pursuant to the constitution of State B, [REDACTED] is managed by a publicly elected board of governors which is responsible for general supervision of the [REDACTED].

✓

[Redacted]

[Redacted]

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affairs and expenditures of its funds. The constitution of State B describes [Redacted] board of governors as a "body corporate."

[Redacted] does not have a board of directors. An executive director is responsible for the overall operation of [Redacted]. The executive director reports to an officer of [Redacted] B who, in turn, reports to the president of [Redacted]. The president reports to the board of governors of [Redacted].

The proposed transaction may also involve two [Redacted] maintenance organizations. The first [Redacted] is owned and operated by a nonprofit corporation which is controlled by [Redacted] A. The second [Redacted] is a nonprofit corporation which is organized on a nonstock membership basis. The sole member of [Redacted] is the board of governors of [Redacted]. The business and affairs of [Redacted] are managed by a board of directors, a majority of whom are appointed by the board of governors of [Redacted] B. Pursuant to state law, one third of the directors of [Redacted] are adult enrollees elected by the subscribers.

AID

The financial statements of [Redacted] and [Redacted] are included in the combined financial statements of University B. The proposed transaction would require the approval of the board of governors of [Redacted] B.

*These
Proposed*

We appreciate your assistance in this matter and look forward to your advice regarding whether the proposed transaction would be reportable under Section 7A of the Clayton Act. If you have any further questions, please call me at [Redacted]

*ASCS
to determine
its size*

Sincerely,

[Redacted signature block]

4/13/95-
AV discussed HBF Interpretation 29-30 and
advised that the [Redacted] is
subject to [Redacted] but the [Redacted] member
of the [Redacted] [Redacted] [Redacted] [Redacted]