

801.40; 801.1(f)(1)

May 25, 1995

BY FAX and MAIL

Richard B. Smith
Senior Attorney
Premerger Notification Office
Federal Trade Commission
601 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Formation of Limited Liability Company

Dear Dick:

I am writing to confirm our telephone conversation of May 23, 1995 in which you agreed with my conclusion that the proposed formation of the Limited Liability Company ("LLC") as described below is not a reportable event under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

As we discussed, the LLC will have only two Members, each with a 50% ownership interest. The Members are corporations that will hold the LLC interest directly or through a wholly-owned subsidiary. The LLC Members will manage the LLC through their respective employees. To that end, each Member will appoint an equal number of employees to a Members Committee. The Members Committee will consist only of employees of the Members. Day-to-day operations of the LLC will be conducted by officers and employees of the LLC with certain matters reserved exclusively to the Members, e.g., authority to set overall policy of the LLC, and authority over capital expenditures exceeding a certain amount.

Based upon our conversation, I understand the Staff position to be that the formation of the above-described LLC is not a reportable event because the LLC Members are not obtaining the right to elect or appoint third parties to the Members Committee, and therefore are not obtaining an interest equivalent to a voting security.

[REDACTED]

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[REDACTED]

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I look forward to receiving confirmation from you at your earliest convenience that the foregoing accurately summarizes the Staff's position.

Thank you once again for your assistance in this matter.

Sincerely,

[REDACTED]

[REDACTED]

5/30/95 - [unclear]
his [unclear] [unclear] [unclear]
the [unclear] [unclear] [unclear]
P. R. Smith

[REDACTED]