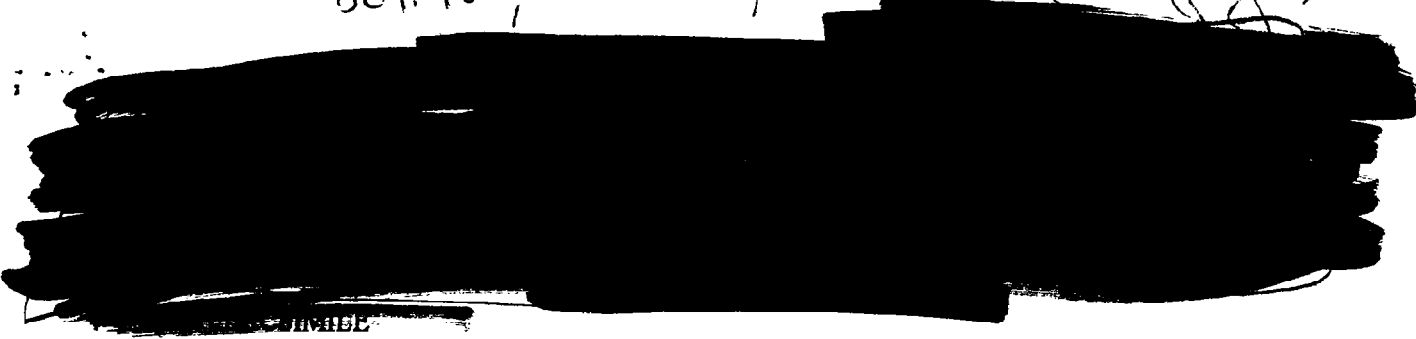


801.70, 802.30, 802.40, 802.30



September 14, 1995

Mr. Richard Smith
Premerger Notification Office
Federal Trade Commission
Washington, D.C. 20580

SEP 14 2 10 PM '95
FEDERAL TRADE COMMISSION
PREMERGER NOTIFICATION OFFICE

Re: Application of Hart-Scott-Rodino Antitrust Improvements Act of 1976

Dear Dick:

I am writing to confirm our telephone conversation of today regarding my letter to you of September 13, which outlined the terms of a proposed joint venture using three corporations. On behalf of the Premerger Notification Office, you confirmed your agreement with my conclusion that the *formation* of the joint venture as described in the letter will not require a filing under the Act. We discussed your view that the formation of the IRC §501(c) not-for-profit corporation will not fall within the exemption provided by 16 C.F.R. §802.40. However, you agreed with my conclusion that, because the not-for-profit corporate membership interests in the IRC §501(e) corporation are not voting securities, 16 C.F.R. §801.40 could not apply and therefore no filing will be required.

In our conversation, you stated that you did not agree with my conclusion that the later combination of the IRC §501(c)(3) not-for-profit corporation and the IRC §501(c) not-for-profit corporation would be exempt under the principles of 16 C.F.R. §802.30. On behalf of my client, I reserve the right to revisit that issue at a later date, if and when the parties are in a position to combine the two corporations, assuming that the size of transaction test is met by the combination. However, for now, I understand your position regarding that possible transaction.

Based upon your advice, the parties intend to proceed with the formation of the joint venture without filing under the Act. Please telephone me at [redacted] as soon as possible if you believe that I have misstated in any way the oral advice you gave me in our conversation of today. Thank you, again, for your prompt attention to my request.

Very truly yours,

