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LLC (formation) c 801,40

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FEDERAL TRADE COMMISSION
PREMERGER NOTIFICATION
August 16, 1996

VIA UPS

AUG 19 10 51 AM '96

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

Dear Ms. Villavicencio:

I am writing to memorialize the advice you provided during our telephone conversation on Wednesday, August 14, 1996, concerning the appropriate analysis under the Hart Scott Rodino Antitrust Improvements Act of 1976 (the "Act") and regulations promulgated thereunder in connection with the formation of a limited liability company ("LLC"). In discussing the transaction outlined below, I ask you to assume that all applicable size tests were met.

In the proposed transaction, two corporations ("Corporation A" and "Corporation B", respectively) will contribute assets with an equal value to the LLC and receive LLC ownership interests in return. The governing body of the LLC will be a board of managers consisting of representatives of Corporation A and Corporation B who are employees, officers or directors of the corporations. During our conversation, you advised me that the formation of such an LLC, including the contribution of the assets by Corporation A and Corporation B, would not be subject to the Act's reporting requirements because the LLC's ownership interest would not be deemed to constitute voting securities. However, you indicated that if Corporation A or Corporation B appointed an outsider (i.e., a person who is not an employee) to the LLC's managing board then the LLC formation transaction would be reportable under the provisions of the Act relating to the formation of a joint venture corporation.

If this letter does not accurately describe the advice you provide during our conversation, please call me as soon as possible. Thank you for your time and assistance in this matter.

Very truly yours,

[Redacted Signature]

Based on the facts as presented in this letter, the HSR filing is required. I called Whiter on August 21, 1996

The Board of directors of the LLC will be employees of the corporations.

Whiter's decision to file HSR is based on the facts presented in this letter.

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