

801.10 (b)

[Redacted]

[Redacted]

July 16, 1999

Richard B. Smith  
Federal Trade Commission  
Premerger Notification Office  
6th St. & Pennsylvania Ave., N.W.  
Washington, D.C. 20580

Re: Hart-Scott-Rodino Reportability and Limited Liability Companies

Dear Mr. Smith:

I write to confirm the telephone conversation we had yesterday afternoon regarding the Premerger Notification Office's ("PNO") interpretation of the reportability of an acquisition of the membership interests in an existing limited liability company ("LLC"). Specifically, based on our conversation it is my understanding that the PNO would view the acquisition by a third party of 100% of the membership interests in an existing LLC that was wholly owned by its ultimate parent as an asset acquisition. As you explained, given that such an acquisition is viewed as an asset acquisition, it is only a reportable event if the total value of the assets being acquired (including liabilities assumed, payments for non-compete clauses, etc.) are greater than \$15 million.

In light of the dispositive nature of this issue, please let me know if my understanding of our telephone conversation is incorrect. Thank you for your assistance with this matter.

Very truly yours,

[Redacted Signature]

1999 JUL 16 11:41 AM  
FEDERAL TRADE COMMISSION  
PREMERGER NOTIFICATION SERVICE

cc:

[Redacted] 7/20/99 Called writer and advised that, as there, you do have an acquisition price (or a reasonable proxy for an acquisition price, since buyer is not presently within the LLC) for the assets. Pursuant to rule 801.10, a fair market value of the LLC's assets being acquired would also need to be done. Writer advises that a filing will need to be done and will be made. RBSmith