

F.I. 15

WRITER'S DIRECT LINE

September 23, 1999

BY FAX

Michael Verne, Esq.
Prermerger Notification Office
Federal Trade Commission
6th Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Mr. Verne:

I am writing to confirm our conversation yesterday concerning the potential applicability of the Hart-Scott-Rodino Act to the facts outlined below. I would appreciate your confirmation that this letter accurately reflects our conversation and accurately concludes that under the facts described below, HSR Act filings would not be required.

FACTS

There are four entities involved in the proposed re-organization.

- S-LLC is owned 50% by Company A and 50% by Company B.
- W-LLC is owned 50% by Company A and 50% by Company B.
- U Partnership is owned 66 2/3% by Company A and 33 1/3% by Company C.
- H-LLC is owned 60% by Company A and 40% by Company C.

The following steps will occur in the re-organization.

1. C buys 45% of S-LLC and W-LLC from Company B.
2. A buys 5% of S-LLC and W-LLC from Company B.
3. U Partnership converts into a LLC with the same ownership.
4. A and C form a new LLC.
5. A contributes its 55% interest in S-LLC, its 66 2/3% interest in U-LLC, its 55% interest in W-LLC, and its 60% interest in H-LLC to the new LLC. C contributes its 45% interest in S-LLC and W-LLC, its 33 1/3% interest in U-LLC and its 40% interest in H-LLC.

*ACQUISITION OF LESS THAN 10% FOR CASE 2.
ONLY ONE BUSINESS CONTRIBUTED*

[Redacted signature block]

Michael Verne, Esq.

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to the new LLC. As a final step, C will buy an LLC interest from A so that the new LLC is owned 50% by A and 50% by C.

ANALYSIS

On these facts, you have advised that the formation of the new LLC is not subject to the HSR Act's filing requirements. The formation is not reportable because it will not involve the contribution of two or more previously "separately controlled" businesses to the LLC. [In this case, all of the business being contributed to the new LLC were controlled by A prior to the transaction.]

If the above description does not accurately reflect our conversations and the positions you expressed, please let me know.

Sincerely,

[REDACTED SIGNATURE]

[REDACTED]

AGREE THAT NONE OF THE ABOVE IS REPORTABLE. R. SMITH AND T. HANCOCK CONCUR.

Michael Verne
9/27/99