

801.1(b)

**Verne, B. Michael**

**From:** [REDACTED]  
**Sent:** Wednesday, July 11, 2012 4:41 PM  
**To:** Verne, B. Michael; 'Didier Malaquin'  
**Cc:** Walsh, Kathryn  
**Subject:** RE: Call on Wednesday, July 11

Michael,

The relationship between the Hospital (the assets of which would be acquired) and the sponsoring religious Order is described below. (This description is based on the organizational documents for one of the two hospitals to be acquired. I understand that the structure for the other hospital (which is not my client) is substantially the same.)

The Hospital, along with a foundation, are sister corporations under a system Parent corporation. All are nonprofit, non-stock entities. The Members of the Parent are five individuals: (a) the president and CEO of the hospital; (b) the General Superior of the sponsoring religious Order; and (c) and three other members of the Order, designated by the General Superior. The individuals who are Members also sit *ex officio* as the Board of Trustees of the Parent. (The members can appoint additional Trustees, but none have been appointed.) The Parent, in turn, appoints the governing board of the Hospital and exercises all rights of membership defined in the Hospital's governing documents.

Let me know if there is additional information that would be helpful to this question.

[REDACTED]

[REDACTED]

CONFIRMS THAT THE OTHER HOSPITAL HAS A DIFFERENT CORPORATE PARENT. EACH CORPORATE PARENT IS ITS OWN UPE FOR PURPOSES OF AGGREGATION.

**From:** Verne, B. Michael [mailto:MVERNE@ftc.gov]  
**Sent:** Wednesday, July 11, 2012 3:13 PM  
**To:** [REDACTED]  
**Cc:** Walsh, Kathryn  
**Subject:** RE: Call on Wednesday, July 11

*BW*  
7/12/12

FWALSH CONCURS

[REDACTED] - we have done some quick research on your issue and here is what we have found:

- 1) Int. #234 specifically addresses how a religious **organization** can report on the notification form. I'm not sure that is intended to address religious **orders** filing notification, organization seems to me to imply some sort of NFP corporate entity.
- 2) The 1996 letter from Sipple appears to be a concession he made to allow intra-person to apply. The letter also states that he advised that although the order did not control the underlying entities under the HSR rules, it somehow held the assets of the entities. Not sure how that works.