

801.1 (b)

March 7, 2005

VIA: FACSIMILE

Michael B. Verne
Premerger Notification Office
Bureau of Competition
Federal Trade Commission - Room 303
6th Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Mike:

This letter is confirming our telephone conversation on Thursday, March 3, 2005, regarding the filing requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, 15 U.S.C. § 18a (the "HSR Act" or the "Act"), and the rules promulgated thereunder, 16 C.F.R. § 801.10 et seq. (the "Rules"), relating to the restructuring of the membership interests of a non-profit corporation.

As discussed, company A has a membership interest in company B, which is the sole member of company sub-B. A's interest constitutes one class of members. There is currently another class of individual members of company B. Election of the board of sub-B requires approval of both classes of members. All of these entities are non-profits.

Pursuant to the proposed restructuring, B will merge into sub-B, the individual members of B will be eliminated, and A will become the sole member of sub-B. The board of sub-B will elect its own directors, subject to ratification by the board of A. The question I posed to you was whether this transaction would be potentially reportable because A will have gained the sole right to ratify the board once the individual members are eliminated. You confirmed that merely having the right to ratify the board does not constitute control under 16 C.F.R. § 801.1(b)(2), which defines control as the contractual power to designate 50% or more of the board of directors. A also will have no right to any distribution of revenues of sub-B and no right to any assets upon dissolution of sub-B. Therefore, because A is not gaining control of sub-B through this restructuring, no filing would be required.

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Please let me know if I have misunderstood any part of our conversation. Thank you for your attention to this matter.

Sincerely,



AGREE -
B. Verne
3/8/05