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COMMUNICATIONS
PREMERGER NOTIFICATION
OFFICE

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July 12, 1996

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Hy David Rubenstein, Esquire
Premerger Notification Office
Bureau of Compliance
Room 303
Federal Trade Commission
6th and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

CREATION OF A LIMITED LIABILITY COMPANY

Dear Mr. Rubenstein:

This letter is a follow-up to the June 25, 1996 letter to you from [REDACTED] and confirms my telephone conversation with you of yesterday, July 11, 1996.

As I understand it, with one exception, you basically agree that [REDACTED] letter accurately states the Staff's position with regard to the reportability of transactions creating Limited Liability Companies ("LLCs"). Apparently, the Staff does not agree that an LLC should be treated the same as a partnership for filing purposes if the creating documents give the member companies the right to appoint "officers, employees or agents" to the Management Committee of the LLC. The Staff's position is that, to be treated like a partnership, the management representatives must be officers, directors or employees of the member companies, not non-employee "agents." However, as you agreed in our conversation yesterday, the management representatives need not be employed by the member company itself; it is sufficient if they are officers, directors or employees of any entity that would be included within the same ultimate parent as the member company.

If you feel my restatement of our conversation or my understanding of the Staff's position on this issue is either incorrect or requires further clarification, please advise me immediately.

Thank you for your assistance.

[REDACTED]

[REDACTED]