



Congress of the United States

House of Representatives
Washington, D.C. 20515

FEDERAL TRADE
COMMISSION
PREMERGER NOTIFICATION
OFFICE

1998 NOV 13 A 8 03

November 12, 1998

Mr. Joseph G. Krauss
Assistant Director for the Premerger Notification Office
Bureau of Competition, Room 301
Federal Trade Competition
Washington, D.C. 20580

Dear Mr. Krauss:

On October 13, 1998, the Federal Trade Commission published in the Federal Register a request for comments on the proposed Formal Interpretation Number 15. The proposed Formal Interpretation Number 15 would require certain persons planning certain mergers, consolidations, or other acquisitions to report information about the proposed transactions involving a Limited Liability Company (LLC) to the Federal Trade Commission (FTC) and the Department of Justice.

Formation of a LLC is not the same as a Corporate Merger or Consolidation

A significant advantage to the formation of a LLC is the ability of the members to craft the form of the organization to fit the unique needs of the particular business enterprise being established. Sophisticated operating agreements often provide for governance, account and accountability that are simply unavailable in the context of a corporate merger or consolidation. Formal Interpretation Number 15 should be modified to take into account these factors.

Proposed Effective Date

If the FTC decides to adopt Formal Interpretation Number 15, I suggest full consideration to allow careful and proper planning of business combinations. Without careful deliberation, significant harm could be caused to the public.

Preservation of Partnership Exemption

Before any decision regarding the subject of partnerships the matter of transactions involving LLCs must be resolved.

Thank you for your consideration.

Sincerely,


Neil Abercrombie
Member of Congress

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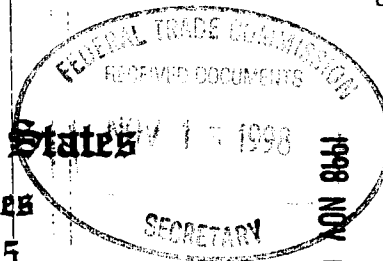
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FAX LEAD PAGE

TOTAL NUMBER OF PAGES, INCLUDING THIS ONE: 2

DATE: November 12, 1998

TIME: 9:00 pm (Hawaii time)

TO FAX NUMBER: 202/326-2624

ATTENTION: Mr. Joseph G. Krauss, Federal Trade Commission

FROM: Congressman Abercrombie

NOTES: Hard copy to follow.

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