

Kern Augustine Conroy & Schoppmann, P.C.

"ATTORNEYS TO THE HEALTH PROFESSIONS"

Steven I. Kern
Algis K. Augustine (IL, CO & NY Bars Only)
Robert J. Conroy (NY, NJ, CA, FL & DC Bars)
Michael J. Schoppmann (NJ & DC Bars)

Walter Marcus (NY Bar Only)
Denise L. Sanders (NJ & PA Bars)
Lawrence M. Schwartz (NJ & NY Bars)
Adam H. Glick
Warren M. Walkow, M.D., J.D.
Kevin M. Geary (NJ & PA Bars)

Special Tax Counsel:
Howard I. Rich (NJ & NY Bars & US Tax Court)

New Jersey:
1120 Route 22 East, Bridgewater, NJ 08807
Tel: (908) 704-8585, Fax: (908) 704-8899

New York:
420 Lakeville Road, Lake Success, NY 11042

Illinois Affiliate:
Augustine, Kern and Levens, Ltd.
218 N. Jefferson Street, Chicago, IL 60661

Please Reply to: New Jersey Office

May 12, 1994

Facsimile (Fax)
Steve Kramer
Room 9844
U.S. Department of Justice
555 4th Street, N.W.
Washington, D.C. 20001

Re: Children's Healthcare/Civil Investigation Demand

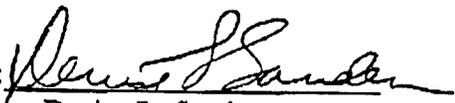
Dear Mr. Kramer:

Pursuant to our conversation earlier this afternoon, please find enclosed a copy of the cover letter and Business Plan which we had prepared for submission to the FTC for an advisory opinion on the operation of Children's Healthcare, P.A., which was identified in your Civil Investigation Demand as South Jersey Pediatrics IPA. As we explained, we had not yet filed the papers with Judy Moreland at the FTC because we were compiling newspaper articles as well as a map of the region to better illustrate the geographic market and the product market.

Attachments referred to in the cover letter will be mailed to you by overnight mail. If you have any questions, please advise. We look forward to speaking with you on Friday.

Very truly yours,

KERN AUGUSTINE
CONROY & SCHOPPMANN, P.C.

BY: 
Denise L. Sanders

Enclosures

Kern Augustine Conroy & Schoppmann, P.C.

'ATTORNEYS TO THE HEALTH PROFESSIONS'

Steven I. Kern
Algis K. Augustine (IL, CO & NY Bars Only)
Robert J. Conroy (NY, NJ, CA, FL & DC Bars)
Michael J. Schoppmann (NJ & DC Bars)

Walter Marcus (NY Bar Only)
Denise L. Sanders (NJ & PA Bars)
Lawrence M. Schwartz (NJ & NY Bars)
Adam H. Glick
Warren M. Walkow, M.D., J.D.
Kevin M. Geary (NJ & PA Bars)

Special Tax Counsel:
Howard L. Rich (NJ & NY Bars & US Tax Court)

New Jersey
1120 Route 22 East, Bridgewater, NJ 08807
Tel: (908) 704-8585, Fax: (908) 704-8899

New York
410 Lakeville Road, Lake Success, NY 11042

Illinois Affiliate:
Augustine, Kern and Levens, Ltd.
218 N. Jefferson Street, Chicago, IL 60661

Please Reply to: New Jersey Office

DRAFT

May 2, 1994

CONFIDENTIAL

Donald S. Clark
Secretary
Federal Trade Commission
Washington, D.C. 20580

Re: Advisory Opinion Request

Dear Secretary Clark:

Kern Augustine Conroy & Schoppmann, P.C., respectfully requests, pursuant to the Federal Trade Commission's advisory opinion procedure, 16 C.F.R. Sections 1.1-1.4 (1993), and the September 15, 1993, Statements of Antitrust Enforcement Policy in the Health Care Area, issued by the U.S. Department of Justice and the Federal Trade Commission, an expedited advisory opinion from the Federal Trade Commission staff on the legality, under the federal antitrust laws, of the method of operation proposed to be undertaken by our client, Children's Healthcare, P.A. ("Children's").

Children's is a professional services corporation organized under the laws of the State of New Jersey, with its principal place of business at 1949 Route 70 East, Cherry Hill, New Jersey. All of Children's shareholders are or will be physicians licensed to practice medicine in the State of New Jersey. Children's intends to operate as a group without walls, initially comprised of 80 physicians specializing in pediatric medicine with practices located in seven (7) counties of southern New Jersey.

Kern Augustine Conroy & Schoppmann, P.C.

Donald S. Clark
May 2, 1994
Page 2

The enclosed "Business Plan" describes the proposed purposes, organization and operation of Children's, and provides all the facts that we believe are material to this request. Attached to the Business Plan are the following organizational and supporting documents of Children's Healthcare, P.A.:

1. Certificate of Incorporation (Exhibit A)
2. By-Laws (Exhibit B)
3. Shareholders' Agreement (Exhibit C)
4. Participating Member Agreement (Exhibit D)
5. Provider/Shareholder List (Exhibit E)
6. Chart of Specialty Breakdown by County (Exhibit F)
7. Map of Greater Delaware Valley (Exhibit G)
8. Newspaper Articles (Exhibit H)

The corporate documents included as Exhibits A through D have been adopted by the shareholders. Subsequent to the shareholders' approval of these documents, and upon advice of securities counsel, amendments to the corporate documents have been prepared in order to avoid violation of SEC disclosure requirements. A copy of the revised documents, showing the revisions, will be forwarded upon completion. These revisions will be presented to the shareholders for adoption and execution.

If you have any questions or require additional information, please contact Denise Sanders or the undersigned. Your consideration is appreciated.

Very truly yours,

Kern Augustine Conroy & Schoppmann, P.C.

By: DRAFT
Steven I. Kern

Enclosures (original & two copies)

cc: John M. Tedeschi, M.D.