

901.1 (c)
802.1 (d)

April 14, 2000

BY TELECOPY
(202) 325-2624

Mr. Patrick Sharp
Premayer Notification Office,
Bureau of Competition
Federal Trade Commission
Room 303
600 Pennsylvania Ave.
Washington, D.C. 20580

Dear Patrick:

Per my message to you yesterday, attached is a statement of facts (together with two charts) outlining a proposed financing-related transaction. Although the same entity, "A", is both the acquired and acquiring person in the transaction, because of its complexities I wanted to discuss with you the question of reportability under the HSR Act. In particular, I want to confirm, if possible, that no reportable transaction is occurring because "A", through controlled entities, already owns 100% of the "Aircraft Interests" (or the underlying assets) being transferred.

Would it be possible to speak with you sometime today between 1:00 p.m. and 5:00 p.m. EST? [REDACTED] also represents "A", would like to join us. I will be out of my office this morning, but perhaps you could leave me a message regarding your availability.

Thank you for your assistance.

Very truly yours,
[REDACTED]

cc: [REDACTED]

Statement of Facts

"A", a foreign corporation, the ultimate parent entity (as defined under § 801.1 (a) of the Coverage Rules) of the subject entities, is a privately held company which, through its subsidiaries and affiliated companies, engages primarily as an international operating lessor of intermodal cargo containers and, since 1996, commercial aircraft. A's commercial aircraft leasing activities are presently financed under two credit facilities, one benefiting "B", a domestic LLC controlled (as defined under § 801.1 (b) of the Coverage Rules) solely (but not wholly owned) by A, and the other benefiting "C", a foreign corporation, 5 domestic LLCs which are controlled solely (but not wholly owned) by A (collectively, the "C Group"). The lease marketing and other services incidental to the leasing of the aircraft owned by B are provided under contract by an unaffiliated professional third party servicer. C provides those services in respect of the aircraft owned by the C Group.

For practical reasons common to the aircraft leasing industry (e.g., in order to accomplish certain requirements of aircraft registration, respond to tax considerations particular to the lessees' jurisdiction of operation, simplify the purchase, sale or transfer of aircraft without unnecessary disturbance to the lessee, provide a mechanism for securing the aircraft for the benefit of the lenders without the expense of mortgages), title to the aircraft is vested in aircraft owning subsidiaries of various types: single aircraft grantor trusts, corporations, and limited liability companies (the "Aircraft Subsidiaries"), which are wholly owned by either B or the C Group. The grantor trusts are in standard form for FAA registration purposes. Pursuant to a trust agreement, the grantor/beneficiary (either B or a member of the C Group) transfers title to an aircraft to the trustee, who holds it for the benefit of the grantor/beneficiary. The grantor/beneficiary can remove and replace the trustee for cause. The trust terminates upon agreement of the parties or when the trust property is sold.

In the present transaction, A is seeking to refinance 51 aircraft presently owned (through the Aircraft Subsidiaries) by B and the C Group (23 aircraft from B (constituting all of the aircraft currently owned by B) and 28 aircraft from the C Group) by transferring all of the beneficial trust interests, common stock and membership interests of the Aircraft Subsidiaries of B and the C Group which own the aircraft between refinanced (the "Aircraft Interests") to a newly organized business trust ("Finance"). 100% of Finance's beneficial trust interests and Subclass D-1 Notes will be indirectly owned by B. Finance will issue rated securitized notes, part of the proceeds of which will be applied towards repayment of the current aircraft financing.

In order to accommodate certain tax considerations, the transfer will occur in two steps. In the first step, each member of the C Group will respectively sell and transfer to B the Aircraft Interests in respect of the 28 C Group aircraft included in the securitization transaction (the "C Group Aircraft Interests"). In the second step, immediately after giving effect to the sale and transfer of the C Group Aircraft Interests, B will transfer the C Group Aircraft Interests together with the Aircraft Interests in respect of the 23 aircraft owned by B to Finance.

In connection with the aircraft transfers, the C Group and the members of B will enter into a "True-Up Agreement" which is intended to the extent possible to cause each party to realize, through a participation interest in all payments received by B from Finance pursuant to the

purchase agreement with Finance, the beneficial trust interests and the Subclass D-1 Notes, the same ultimate economic consequences such party would have realized if its entities had been the only entities acquired by Finance.

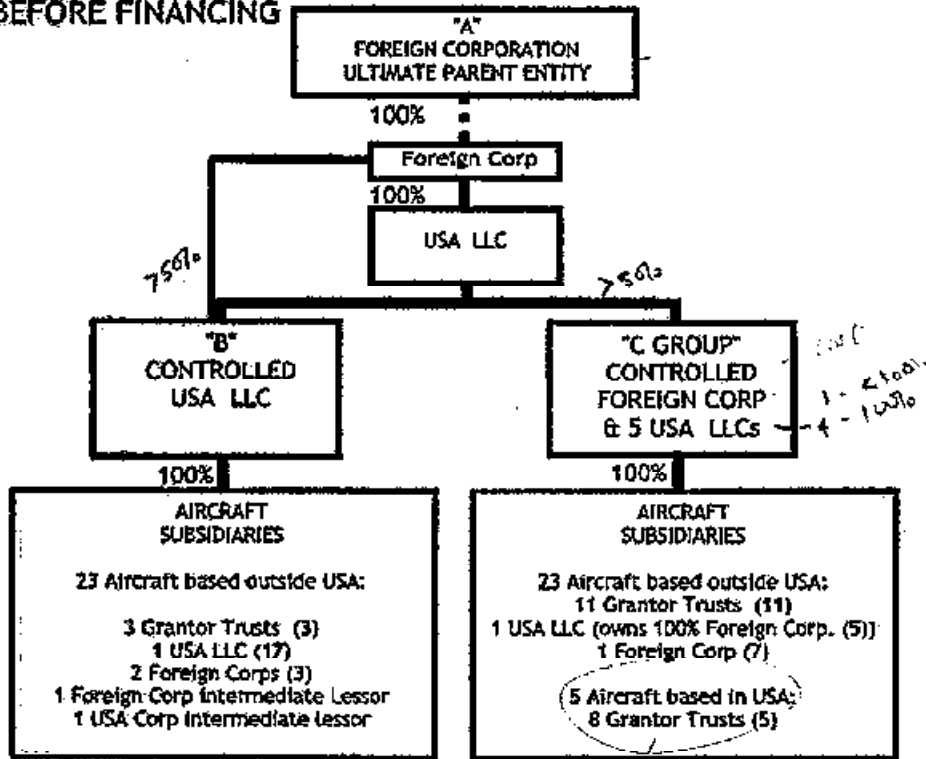
Five of the 51 subject aircraft are based in the United States and have a value of over \$15,000,000.

After the transfer of the Aircraft Interests to Finance, the lease marketing and other services incidental to the leasing of the 23 aircraft transferred by B will continue to be provided (under contract with Finance) by the present unaffiliated professional third party servicer. C will also continue to provide (under contract with Finance) those services in respect of the 28 aircraft transferred by the C Group.

49 of the 51 subject aircraft are presently on operating lease to 24 lessees in 18 countries (2 aircraft are presently off-lease). All aircraft are held solely for the purpose of lease or resale to entities not included within A (provided in some cases (6 of 51), owing to the jurisdiction of the ultimate airline lessee, it is sometimes required for tax considerations to structure the lease transaction as a "back to back" lease wherein the aircraft-owning entity "head" leases the aircraft to a sister-entity in another jurisdiction which in turn leases the aircraft to the ultimate airline lessee).

The securitization transaction is expected to benefit A by exposing A to a larger universe of lenders and by lowering A's financing costs in respect of the initial 51 aircraft and additional aircraft which may from time to time be purchased by TAF in accordance with the terms of its indenture. After the transaction, A will continue its international aircraft leasing business not only by way of the fleet of 51 aircraft within Finance and any additions thereto, but also in respect of 13 aircraft presently owned by the C Group and not being transferred to Finance, additional acquisitions of aircraft by the C Group, and, potentially, additional acquisitions of aircraft by B or otherwise.

BEFORE FINANCING



THESE ARE THE ONLY U S ASSETS. DESPITE ENTERING INTO THE TRUST AGREEMENT, THE INDICIA OF BENEFICIAL OWNERSHIP FOR THESE ASSETS DO NOT PASS FROM C TO B, THEREFORE, NO ACQUISITION HAS TAKEN PLACE.

ALTERNATIVELY, EVEN IF IT WAS DETERMINED THAT AN ACQUISITION HAD BEEN MADE, IT WOULD BE EXEMPT UNDER 302.1(d)(1)

B. Michael Jones
4/18/00

AFTER FINANCING

