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May 23, 2002

Federal Express

B Michael Verne  
Premerger Notification Office  
Federal Trade Commission  
6<sup>th</sup> Street & Pennsylvania Avenue, NW  
Room 310  
Washington, DC 20580

Re: Acquisition of [REDACTED] by [REDACTED]  
Federal Credit Union [REDACTED] by Merger under supervision of [REDACTED]

Dear Mr. Verne:

We represent [REDACTED] in a proposed acquisition through merger of [REDACTED] (the "Merger"). Both [REDACTED] and [REDACTED] are federally chartered corporate credit unions under the supervision of the NCUA.

We are writing to you for your concurrence with our analysis of the application of the size of transaction thresholds to the proposed merger under the Hart Scott Rodino premerger notification provisions under 15 U.S.C. 18a (a)(2).

As of December 31, 2001, [REDACTED] had assets in excess of \$3,631MM. As of April 30, 2002 [REDACTED] had assets of \$93.7MM. For purposes of our analysis we have assumed that the assets of both companies have not changed significantly to the date of this letter.

In calculating whether the Merger meets the size of transaction test under 15 U.S.C. 18a (a)(2)(B)(i), we believe that the assets listed below are properly excluded in determining the size of the transaction. We are basing our analysis, in part, on your conclusions in regards to a similar transaction involving credit unions. I have attached a copy of the merging parties' request for an informal determination dated December 10, 2001 ("informal determination") which is contained in the attached FOIA response issued by your office on February 10<sup>th</sup>, 2002.

Assets that we believe are excluded in the calculation the size of the transaction include:

1. Cash and Cash Equivalents
2. Investments
3. Mortgages, leases and certain other assets.

FEDERAL TRADE  
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These would include specifically the following items shown on [REDACTED] NCUA [REDACTED] call report, a copy of which we have attached (line references are to schedule SFC "Statement of Financial Condition" of the form 5310):

1. Cash and Balances Due (line 1.a.)
2. Future Dated ACH Transactions (line 1.b.)  
(Associated with Uncollected Deposits)
3. Investments (line 1.i. [includes lines 1.d. - 1.h.]

Certain other mortgages, leases and other assets may also be excluded, but are not material in amount with respect to the Merger.

Both [REDACTED] and [REDACTED] are corporate credit unions, which means they provide credit union like services to other credit unions, as opposed to natural persons. Consequently they use different call report forms in reporting their financial condition to the NCUA. While the form 5310 differs superficially from the 5300 call report referenced in the informal determination, we believe that the assets listed above from the form 5310 are analogous to the asset accounts referred to in the informal determination.

Based on the foregoing, [REDACTED] shows a total asset value of \$93.7MM on the form 5310. The total of the excluded assets included in that total is \$92.2MM (see accompanying detail). The total assets, less the excluded assets, therefore, is \$1MM which is below the transaction threshold of \$50MM set forth in 15 U.S.C. 18a (a)(2)(B)(i). Accordingly, the merging parties are not required to file a pre-merger notification under 15 U.S.C. 18a.

Please contact me directly as to whether you agree with our conclusion with respect to this transaction. Your assistance is greatly appreciated.

[REDACTED]  
Enclosures [REDACTED]  
[REDACTED]

AGREE THE SIZE-OF-TRANSACTION  
IS LESS THAN \$50MM.  
SEE ATTACHED.  
NO OTHER CONCERN.

B. [REDACTED]  
5/29/02