

7A(c)(1)

[REDACTED]

[REDACTED]

August 5, 2002

By Facsimile

Nancy M. Ovuka, Esq.,
Premerger Notification Office
Room 303
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Request for Informal Interpretation Under the HSR Act

Dear Ms. Ovuka:

Many thanks for speaking with me this morning regarding the potential applicability of the HSR premerger notification requirements to a proposed transaction. I write to confirm the substance of our telephone conversation, at the end of which you had agreed that it would not be necessary for the parties to file in connection with the transaction under the filing exemption provided in section 7A(c)(1) of the Act.

As we discussed, our client, A, is a wholly-owned indirect subsidiary of a large, U.S.-based insurance and financial services company. A is engaged in the consumer finance business. A proposes to purchase a portfolio of consumer loans with a book value of approximately \$220 million. The portfolio of consumer loans that would be involved in the transaction is comprised of real estate and other types of consumer secured loans and unsecured loans. No credit card receivables are included in the portfolio.

A is currently engaged in consumer lending and will continue to be so engaged following the proposed transaction. The proposed transaction represents an expansion of A's current activities.

The ultimate parent of the seller of the loan portfolio, B, is a bank holding company. The seller is a national banking association. The assets being sold constitute

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substantially all of the assets of one of its operating divisions. Upon the consummation of the proposed transaction, the operating division holding the assets being purchased will cease operations in its present form, but the seller will continue to be engaged in consumer lending.

In addition to purchasing the consumer loan portfolio, A will acquire certain business assets from the seller, such as furniture, fixtures, and equipment at approximately 38 branches of the seller which generated the loan portfolio. The value of the furniture, fixtures, and equipment at these locations is approximately \$1 million. A will also assume the existing leases with respect to these branch offices. The value of this lease assumption is approximately \$1.7 million.

A also intends to interview all employees in the branch offices who may desire employment and to offer positions to as many branch personnel as possible, consistent with staffing needs. However, in view of A's primary purpose to acquire the loan portfolio and expand its current business, it is not a condition to the proposed transaction that any employees of the seller agree to work for A in the future.

Based on my discussion with you, I understand that the proposed transaction is exempt under the exemption provided in section 7A(c)(1) of the Act. I would be grateful if you could call me at [REDACTED] after you have had an opportunity to review this letter to confirm that it accurately reflects our conversation.

Thank you again for your prompt attention and assistance this morning and for your further assistance in reviewing and responding to this letter.

Sincerely,
[REDACTED]

8/5/02

Confirmed advice.
(c)(2) may also apply
to real estate loans