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PREMERGER NOTIFICATION OFFICE

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WRITER'S DIRECT NUMBER

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November 19, 2003

By Fax (202) 326-2624 and Post

Mr. B. Michael Verne
Federal Trade Commission
Premerger Notification Office
Room 303
6th and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Premerger Reporting Obligations: Ordinary Course Exemption

Dear Mike:

This letter is a follow-up to our telephone conversation last week during which we discussed in broad terms the transaction described below and your view that pending receipt of additional information, the transaction would likely not be subject to the reporting requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "Act").

In our discussion, we assumed that in connection with an assets transaction, the so-called "size-of-person" test and the so-called "size-of-transaction" test were met.

Specifically, the assets to be sold in this transaction are so-called merchant processing contracts and agent bank merchant contracts. A merchant processing contract is a contract pursuant to which a third party agrees to provide transaction processing services to a merchant (such as a grocery store, gasoline station or other retailer). An agent bank merchant contract is a contract pursuant to which a bank either: (a) refers merchants to a third party transaction processing services provider (a "Processor") in exchange for which the agent bank receives a fee for the referral; or (b) acquires so-called "wholesale" transaction processing services from a Processor and the bank resells these services to merchants. In the case of an agent bank merchant contract under which a bank refers merchants to a Processor, the Processor enters into an agreement with each referred merchant to provide transaction processing services. In the case of an agent bank merchant contract under which the bank acquires so-called "wholesale" transaction processing services from a Processor, the bank enters into an agreement with each merchant to provide transaction processing services.

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In this case, the group of merchant processing contracts to be sold by Seller constitutes approximately 2% of the merchant processing contracts held by Seller and its affiliates, and the group of agent bank merchant contracts constitutes approximately 89% of the agent bank merchant contracts held by Seller and its affiliates.

The Buyer is an entity that is either: (a) an entity that is already engaged in the business of agent bank merchant contracts and merchant processing contracts; or (b) an entity that is already engaged in the business of merchant processing contracts.

Based upon these facts, we believe that the so-called ordinary course of business exemption should be applicable to this transaction and that no filing under the HSR Act would be required even though the so-called "size-of-person" test and so-called "size-of-transaction" test are met.

Indeed, we note that even if one were to posit that the Seller was exiting the business of agent bank merchant contracts (and hence, the ordinary course of business exemption would not be applicable to the sale of those assets), the so-called ordinary course of business exemption should still be applicable to the remainder of the transaction. If the value of the agent bank merchant contracts being acquired was less than \$50 million, the so-called "size of transaction" test would not be met and as a result, the entire transaction still would not be subject to the reporting requirements of the HSR Act.

As always, we thank you for your prompt attention to our inquiry. If the foregoing does not conform to your understanding, please contact us. My direct number is listed above.

Very truly yours,

[Redacted signature]

[Redacted]

cc:

[Redacted]

AGREE -

B. Michael Verne

11/20/03

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