

7A(c)(7)

Verne, B. Michael

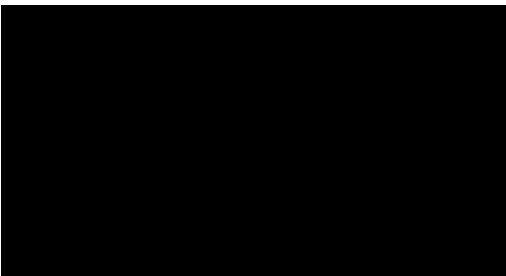
From: [Redacted]  
Sent: Tuesday, February 17, 2004 9:10 AM  
To: Verne, B. Michael  
Subject: Section 7A(c)(7) Exemption

Mike,

I just wanted to confirm our conversation earlier today regarding the Section 7A(c)(7) exemption for transactions requiring approval under Section 1842 of the Bank Holding Company Act. Based on our conversation, it is my understanding that the FTC considers transactions specifically exempted under Section 1842 of the BHC Act to be the functional equivalent of approval under Section 1842, thus making the transaction exempt from HSR reporting requirements pursuant to Section 7A(c)(7).

Historically, my client, a bank holding company, has not had to make an HSR filing because its acquisitions of the target company's voting securities (the target company also being a bank holding company) have required approval under Section 1842. Now, my client no longer needs approval because, based on federal banking law rules of beneficial ownership and family attribution, my client is deemed to control a majority of the voting securities of the target company and is therefore specifically exempt from the pre-approval requirements of Section 1842 by virtue of Section 1842(a)(B) and 12 CFR 225.12(c). Please confirm my understanding that future acquisitions of the target company's voting securities without Fed approval will not trigger an HSR reporting requirement because future acquisitions are exempt from Fed approval under Section 1842(a)(B) of the Bank Holding Company Act.

If you need any additional information or I have mischaracterized our conversation in any way, please let me know. Thanks.



Agree -  
B. Michael  
2/17/04

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