801.2

[redacted]

TELEPHONE [redacted]
FACSIMILE [redacted]

[redacted]

March 30, 2004

Michael B. Verne,
Pre-Merger Notification Office,
Bureau of Competition,
Federal Trade Commission,
600 Pennsylvania Ave. NW,
Washington, DC 20580.

Dear Mr. Verne:

On March 23, 2004, my colleagues, [redacted] and [redacted] and I spoke with you to ask the Pre-Merger Notification Office's views as to whether a Hart-Scott-Rodino (HSR) filing would be necessary under the circumstances of a transaction currently being contemplated by one of our clients. In that call, I summarized the key elements of the proposed transaction as follows:

- The transaction involves two financial services companies and is essentially a financing transaction.

- Common shares in a newly created Delaware corporation (the "Issuer") will be issued to two investors: 1) an Australian investor which will subscribe for 51% of the common shares; and 2) a US investor which will subscribe for 49% of the common shares. The aggregate value of all of the common shares will be less than US$50 million. Under the proposed structure, the US investor may at some point in the future acquire from the Australian investor the common shares in the Issuer held by the Australian investor. Our client expects that, based on its current view of the transaction structure, at the time of any such subsequent acquisition, the common shares of Issuer would be of nominal value and would be valued at less than US $50 million .

- At the time of its acquisition of the common shares of the Issuer, the Australian investor will also acquire senior preferred securities (probably in the form of debt) of the Issuer in an amount of approximately A$450 million. The US investor at that time will acquire junior preferred securities of the

[redacted]

Issuer (also probably in the form of debt) in an amount of approximately A$1 billion. These senior and junior preferred securities will not carry voting rights.

- The transaction is being structured so that the investments by the US and Australian investors will be made almost entirely through the acquisition of the preferred securities, and the common shares will be of nominal value, for Australian tax reasons. Also, for Australian regulatory reasons, the Australian investor's investment must rank senior to the common shares and to the US investor's A$1 billion investment.

- In order to exit the transaction in a U.S. tax efficient manner in the future, the US investor would need to acquire at least 80% of the value and the voting rights of Issuer. Our clients expects that it would do so by purchasing all of the common shares and all of the senior preferred securities held by the Australian investor, through the exercise of a call right (or as a result of the Australian investor exercising a put right) either five years after the initial acquisition by the Australian investor of these securities or earlier if certain specified events occur.

During our phone conversation with you on March 23, you indicated that based on the foregoing facts and expectations with respect to value of the common shares of the Issuer, you agreed that a filing would not be necessary in connection with the initial acquisition of the common shares and preferred securities by the US Investor and Australian Investor nor in connection with any subsequent acquisition by the US investor from the Australian investor of the common shares and senior preferred securities held at that time by Australian investor.

We would appreciate if you would confirm that you concur in this summary of the discussion of the proposed transaction by contacting me on [redacted] or [redacted] at your convenience.

Very truly yours,

[redacted]

cc: [redacted]

Agree -
B
3/31/04