

7A(C)(2)
801.21

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December 23, 2004

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FEDERAL TRADE
COMMISSION
PREMERGER NOTIFICATION
OFFICE

Michael B. Verne, Esq.
Federal Trade Commission
Premerger Notification Office
Bureau of Competition
Room 303
600 Pennsylvania Avenue, N. W.,
Washington, D.C. 20580

Dear Mr. Verne:

I am writing to confirm our telephone conversation of Monday regarding the inapplicability of the premerger notification provisions of the Hart-Scott-Rodino Antitrust Improvements Act to a proposed transaction which may have two stages.

We represent a foreign bank which, through an indirect wholly-owned Delaware limited liability company, will contribute \$1 billion in exchange for certain preferred limited liability partnership interests in a newly formed Delaware limited liability partnership. Another foreign bank will, through an indirect wholly-owned Delaware limited liability company, contribute \$4.6 billion in exchange for certain common limited liability partnership interests of the newly formed LLP. The LLP's business will be to acquire, manage, and dispose of so-called Permitted Assets which will include debt securities, cash, government bonds, certificates of deposit, and swaps.

Our client and the other foreign bank, through their respective subsidiaries, will be the only partners with economic interests in the newly formed LLP. The preferred LLP interests to be purchased by our client will represent approximately 18% of the initial investment in the LLP and the common LLP interests will represent approximately 82%. As we discussed, because our client, in the initial stage of the proposed transaction, will be purchasing and owning less than 100% of the newly formed LLP partnership interests, it will have no premerger filing notification obligation in connection with this stage of the transaction.

Pursuant to a call option agreement to be entered into between our client and the other foreign bank investor, our client will have an option to purchase, or cause an affiliate to purchase, the common LLP interests at a price equal to the fair market value of the common LLP interests. Assuming it were to exercise this option, our client would then own 100% of the partnership interests of the LLP. Nevertheless, we understand that this stage of the proposed transaction, were it to occur and be subject to

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Michael J. Verne, Esq.
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the premerger act and regulations as currently written and interpreted, also would not require a premerger notification filing due to the financial nature of the Permitted Assets to be owned by the LLP.

If you have any questions about the foregoing, please feel free to contact me at the above telephone number. I thank you for your time and attention to this matter.

Yours sincerely,



AGREE - THE ASSETS HELD
BY THE LLP ARE EXEMPT UNDER
EITHER 7A(C)(2) OR 801.21.

B. M. Verne

12/23/04