

7A(c)(7)

Verne, B. Michael

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From: [REDACTED]  
Sent: Monday, March 13, 2006 4:25 PM  
To: Verne, B. Michael  
Cc: [REDACTED]  
Subject: HSR Exemption under 15 USC sec. 18a (c)(7)

Mike,

Here is the follow up email to our telephone call of last week.

Our client (Bank Holding Company A) is acquiring a bank holding company (Bank Holding Company B) whose UPE is an individual. The individual will be receiving stock and cash of Bank Holding Company A in a merger of Bank Holding Company B with Bank Holding Company A. Assume that the "size of the transaction" and the "size of the parties" thresholds are met and that each of Bank Holding Company A and the individual are acquiring parties subject to filing under the HSR Act unless an exemption applies. Bank Holding Company A principally operates through its wholly owned subsidiary Bank A and Bank Holding Company B principally operates through its wholly owned subsidiary Bank B.

Bank Holding Company A has sought and expects to receive from the Federal Reserve under Section 225.12(d)(2) of 12 C.F.R. an exemption from the Federal Reserve's prior approval required under § 1842 of 12 U.S.C. [Section 3 of the Bank Holding Company Act] for the acquisition of Bank Holding Company B and Bank B. This waiver is expected to be obtained, in part, because immediately after the holding companies merge Bank B will merge into Bank A and this bank merger will have received the prior approval from the FDIC under the Bank Merger Act, § 1828(c) of 12 U.S.C. Because, however, the individual will receive approximately 24% of Bank Holding Company A's voting shares in the holding company merger and Bank Holding Company A is receiving the exemption described above, the Federal Reserve is requiring the individual to file a Change in Bank Control Act Notice under the Change in Bank Control Act, § 1817(j) of 12 U.S.C.

In our discussion last week, I asked you if the exemption under Section 18a (c) (7) should apply to this entire transaction. In our call you expressed the view that no HSR filing was required for this transaction. Please confirm that (i) the acquisition of Bank Holding Company B by Bank Holding Company A and (ii) the acquisition by the individual of 24% of the voting shares of Bank Holding Company A in that acquisition are both exempt under § 18a (c)(7) of 15 U.S.C. and that no HSR filings will be required.

Thanks very much, [REDACTED]

AGREE -  
Bruchler  
3/13/06