

April 23, 1991

Section 7A (b) of the Freedom of Information Act which restricts release of information

PREMERGER NOTIFICATION OFFICE

APR 23 5 56 PM '91

RECEIVED

John M. Sipple, Jr. Esquire
Assistant Director
Premerger Notification Office
Federal Trade Commission
Room 398
6th & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Exemption under the Hart-Scott-Rodino Antitrust Improvements Act of 1976

Dear John:

In accordance with our telephone conversation of April 23, 1991, I am writing to confirm your oral advice, based on information furnished during that conversation, that the transaction described below (the "Transaction") is exempt from the premerger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "Act").

Proposed Transaction:

Bank A, is a banking corporation organized under the laws of [redacted] to operate a credit card bank, with total assets of approximately [redacted] billion as of March 1, 1991. Bank A maintains a nationwide VISA and MasterCard credit card program with approximately [redacted] million accounts and total receivables (consisting of account balances, finance charges and other charges) of approximately [redacted] billion as of March 1, 1991. Through its credit card program, Bank A offers both standard and premium credit card accounts.

Bank A proposes to sell to Bank B approximately [redacted] MasterCard credit card accounts with total receivables, of approximately [redacted] million at the time of sale (the "Accounts to be sold"). The Accounts to be sold will be selected from a pool of accounts, which was created through an affinity arrangement whereby customers of a sponsoring organization were offered credit cards of Bank A.

FILE

[REDACTED]

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The Transaction represents the sale of approximately [REDACTED] of Bank A's total portfolio of credit card receivables (approximately [REDACTED] of total accounts) and [REDACTED] of its portfolio of affinity credit card receivables (approximately [REDACTED] of affinity accounts). The term "affinity," as used herein, refers to arrangements whereby credit cards are offered by a bank to the customers or members of another organization. Following the Transaction, Bank A will continue to maintain a nationwide credit card program (including an affinity program) with cardholders in every region of the United States. Bank A will continue to offer both standard and premium credit accounts.

Discussion:

Based on the foregoing, I believe that the Transaction does not represent the sale of a "business" or of "substantially all of the assets of . . . an operating division" of a business within the meaning of 16 C.F.R. § 802.1(b). I believe that the Transaction constitutes a transfer of assets "in the ordinary course of business" and therefore is exempt under Section 7A(c)(1) of the Act from the premerger notification requirements of the Act.

I understand from our telephone conversation that, based on the facts set forth in this letter, you concur with the foregoing. Unless I receive a contrary indication from you, I will advise Bank A to rely on your oral advice and to complete the Transaction without filing under the Act. The transaction is to close at the end of April 1991.

If you have any questions regarding this matter or need any additional information, please call me.

Very truly yours,
[REDACTED]

[REDACTED]

4/25/91 - Called and indicated the letter reflects the advice rendered. The acquisition is exempt under § 7A(c)(1) of the Act.