

1.1(0)(1); (b)

[REDACTED]

[REDACTED]

[REDACTED]

July 2, 1991 may be subject to
this notice may be subject to
the confidentiality provision of
Section 24 (b) of the Antitrust Act
under the

Richard B. Smith, Esquire
Premerger Notification Office
Bureau of Competition
Federal Trade Commission
Room 303
6th & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

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

Dear Dick:

In accordance with our telephone conversation of July 2, 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 under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "Act").

Proposed Transaction

Bank A, is a [REDACTED] with total assets of approximately [REDACTED] at December 31, 1990. Bank A maintains a nationwide VISA and MasterCard credit card program with approximately [REDACTED] accounts and total receivables (consisting of account balances, finance charges and other charges) of approximately [REDACTED] as of December 31, 1990. Through its credit card program, Bank A offers both standard and premium credit card accounts.

Bank A proposes to sell to Bank B, our client, approximately [REDACTED] VISA and MasterCard credit card accounts with total receivables of approximately [REDACTED] at the time of sale (the "Accounts to be Sold"). The Accounts to be Sold will include both standard and premium credit card accounts. They will be selected from a pool of accounts

[REDACTED]

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meeting specified credit and other criteria with cardholders in most states of the continental United States. Following the Transaction, Bank A will continue to manage the accounts of its existing cardholders in most states and will continue to solicit new standard and premium credit card accounts in all such states in accordance with its customary operating policies.

The Transaction represents the sale of approximately [REDACTED] of Bank A's total portfolio of credit card accounts. Following the Transaction, Bank A will continue to maintain a nationwide credit card 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 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 under the Act.

I understand from our telephone conversation that, based on the facts of the Transaction as set forth in this letter, the Premerger Notification Office staff concurs with the foregoing interpretation of the Act. Unless we receive a contrary indication from you following receipt of this letter, we will advise our client to rely on such interpretation and to complete the transaction.

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

Very truly yours,

[REDACTED]

[REDACTED]

[REDACTED]