

7A(c)(1)
802.1(a)

[REDACTED]

April 30, 1998

VIA FACSIMILE and FIRST CLASS MAIL

Mr. Michael Verne
Premerger Notification Office
Bureau of Competition, Room 303
Federal Trade Commission
Washington, DC 20580

Re: Informal Interpretation of Premerger Notification Requirements
Under 16 C.F.R. Part 802 7A(c)(1)

Dear Mr. Verne:

Thank you for speaking with my associate [REDACTED] yesterday about Federal Trade Commission ("FTC") premerger notification requirements pursuant to the Hart-Scott-Rodino Antitrust Improvement Act, specifically, exemptions from notification set forth at 16 C.F.R. Part 802. We would like to confirm our understanding of the FTC staff's position on the issue discussed.

During your telephone conversation, it is my understanding that you discussed whether a newly formed corporation [REDACTED] that will become a savings and loan holding company upon receipt of approval by the Office of Thrift Supervision of its application to charter a federal savings bank need file a Notification and Report Form pursuant to 16 C.F.R. Part 803 prior to purchasing certain assets. As indicated, the proposed savings and loan holding company seeks to acquire a number of credit cards receivables and deposits from an established banking institution, the [REDACTED]. The acquisition will constitute less than all or substantially all of the assets of the selling institution's operating unit and does not constitute the sale of a department or other subdivision currently owned by the selling institution [REDACTED]. Notably, the acquisition involves fewer than one hundred million dollars (\$100,000,000) in assets from [REDACTED] which is a four billion dollar (\$4,000,000,000) lending institution.

Further, as we discussed, if the Office of Thrift Supervision had already granted a federal savings bank charter to [REDACTED] Bank, the proposed subsidiary to which [REDACTED] will transfer the

[REDACTED]

Mr. Michael Verne
April 30, 1998
Page 2

credit card receivables and deposits, then that institution would be engaged in precisely the type of lending and deposit-taking activities that this transaction comprises. As you noted, at such time as the charter is granted, Bank's contemplated transaction would qualify for an exemption pursuant to 16 C.F.R. Section 802.1 for the acquisition of goods in the ordinary course of business. 7A(C)(1)

Based on the foregoing, we understand the FTC staff's position to be that the proposed transaction does not fit squarely within any exemption set forth at 16 C.F.R. § 802. However, it is our understanding that FTC staff have made an informal interpretation that [redacted] is exempt from the Notification and Report filing requirements set forth at 16 C.F.R. § 803 at this time, and need not make any other application to FTC or Department of Justice prior to consummating the proposed acquisition.

At your earliest convenience, please let [redacted] know at the telephone number or address listed above, if our understanding is incorrect.

Thank you

[Redacted signature block]

EXEMPT UNDER
7A(C)(1)

cc: [Redacted]

AGALL - AS NOTED
B. Michael Verne
5/1/98