

LAW OFFICES

December 1, 1999

BY TELECOPY (202) 326-2624

Patrick Sharpe
Federal Trade Commission
Bureau of Competition
6th Street & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Notification and Report Form for Certain Mergers and Acquisitions

Dear Patrick:

I certainly appreciate the assistance which you have provided to me over the past several weeks, in analyzing whether the proposed asset purchase transaction involving my client will necessitate the filing of the Premerger Notification Form.

My client is in the business of originating, selling and servicing mortgages (the "Mortgage Company"). The Mortgage Company has entered into a Letter of Intent to sell substantially all of its assets to a buyer.

Pursuant to our phone conversation, it is my understanding that mortgages, accrued interest on mortgages, and mortgage servicing rights are "exempt" assets under 15 U.S.C. § 18A(c)(2) (which is Section 7A(c)(2) of the Clayton Act). The mortgage exemption in 15 U.S.C. § 18A(c)(2) will cover servicing rights related to each of the following: (i) mortgages owed by the Mortgage Company, (ii) mortgages previously sold, but still being serviced by the Mortgage Company, and (iii) mortgages which have never been owned by the Mortgage Company.

It is my understanding that cash, including application fees deposited by prospective borrowers, is also an "exempt" asset under C.F.R. § 801.21(a).

Patrick, I would appreciate it if you confirm in writing to me that mortgages, accrued interest on mortgages, mortgage servicing rights, and cash (including the application fees deposited by prospective borrowers) are "exempt" assets and are excluded in determining if the transaction involves the sale of more than \$15 million in assets.

The FTD Office cannot do this

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If you have any question regarding the content of my letter or the various assets categories, please give me a call.

Thank you again for you assistance.

Sincerely,

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]