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[REDACTED]

[REDACTED]

RECIPIENT'S E-MAIL ADDRESS

June 14, 2000

By Fax and Post

Mr. Michael Verne
Premerger Notification Office
Room 303
6th and Pennsylvania Avenue, N.W.
Washington, D.C., 20580

Re: Non-Reportable Transaction Under the Hart-Scott-Rodino Antitrust
Improvements Act of 1976, as amended

Dear Mike:

Thank you for speaking with [REDACTED] and me earlier today. During our conversation you advised us that the two hypothetical transactions outlined below were not subject to the reporting requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"). The transactions (which we assumed met the applicable so-called "size-of-person" and so-called "size-of-transaction" tests), were as follows:

A (which is its own "ultimate parent entity") has three subsidiaries: A1, A2 and A3. A1, A2 and A3 collectively own 100% of a distinct portfolio of bank (i.e. Visa/MasterCard) credit card accounts and their related receivables (the "Portfolio"). A, through A1, A2, A3 and other "controlled" entities, also holds other portfolios of private-label credit card accounts and their related receivables. In the case of A1, the part of the Portfolio that it owns is more than 50% of the assets of A1; in the case of A2 and A3, the part of the Portfolio that each owns is less than 30% of the assets of A2 and A3, respectively. For Hart-Scott-Rodino purposes, A "controls" A1, A2 and A3.

B (which is its own "ultimate parent entity"), intends to enter into a transaction whereby it would cause B1, a subsidiary of B, to acquire pursuant to an asset purchase agreement either: (a) 100% of the Portfolio; or (b) between 85-90% of the Portfolio. For Hart-Scott-Rodino purposes, B "controls" B1.

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In each case, B1 would acquire only a portion of the assets of each of A1, A2 and A3 and not substantially all of the assets of A1, A2 or A3. B1 also would not acquire any equipment, and no employees would be transferred to B1.

If B1 acquired only 85-90% of the Portfolio: (a) A1, A2 and A3 would likely be expanding the Portfolio through the addition of approximately 1000 accounts per month in connection with certain other businesses of A1, A2 and A3; (b) A1, A2 and A3 would likely be expanding the Portfolio through a conversion of certain private label credit card accounts and their related receivables (due to certain restructurings) to bank credit card accounts and receivables; and (c) nothing in the asset purchase agreement would preclude the expansion of the Portfolio.

During our conversation, you advised us that neither transaction outlined above would be reportable in accordance with the ordinary course exemption set forth in the HSR Act, provided that each of A1, A2 and A3 remained in the credit card business. You also advised us that the Premerger Notification Office does not distinguish between private label credit cards and bank credit cards.

We trust that this letter accurately reflects our conversation. If you have any questions or this letter does not accurately reflect our conversation, please contact us. As always, thank you for your prompt assistance.

Sincerely,
[REDACTED]

[REDACTED]

cc: [REDACTED] (copy)

AGREE, THIS IS EXEMPT UNDER
ORDINARY COURSE OF BUSINESS.

Michael Verne

6/15/00