

Rule(s):	802.1
Staff:	Nancy Ovuka
Response:	“Advised writer that 802.1 does not apply”. NO 6/19/02
File #:	0206006

(redacted)
(redacted)

June 19, 2002

VIA HAND DELIVERY
Nancy M. Ovuka
Federal Trade Commission
Bureau of Competition
Premerger Notification
601 Pennsylvania Avenue, N.W.
Room H-319
Washington, D.C. 20580

Re: Sale of Assets - (redacted)

Dear Nancy:

This letter addresses our request for your views regarding the reportability of a transaction involving the sale of certain assets of (redacted). (Redacted) operates a number of catalog and internet businesses within (redacted). Revenue and assets information for these businesses is provided in the enclosed document.

(Redacted) intends to sell the assets of its (redacted) business, which is operated as a part of the (redacted) direct-to-customer division known as (redacted) to two individuals who, in the ordinary course of business, purchase assets of this nature and specialize in the business of liquidating inventories and related assets. The proposed transaction is comprised of real estate (-\$33 million), fixtures (-\$10 million), and inventory (\$20 million) but does not include approximately \$1.16 billion of credit card balances generated from sales in the (redacted) catalog business. In addition, the purchasers will also acquire all of the associated intellectual property and goodwill of the (redacted) assets. (Redacted) intends to continue to operate all of the other businesses encompassed within its (redacted) division following the sale of the (redacted) assets.

We would appreciate your view concerning whether this transaction qualifies for the ordinary course of business exemption under 16 C.F.R. § 802.1.

If you have any questions, please do not hesitate to call.

Very truly yours,

(redacted)
Enclosure
(redacted)

[REDACTED] 2001 Revenue

	\$ (in millions)	% of Total
[REDACTED]	703.2	48.7%
[REDACTED]	300.3	20.8%
[REDACTED]	111.9	7.7%
[REDACTED]	126.7	8.8%
[REDACTED]	130.4	9.0%
[REDACTED]	72.0	5.0%
Total	1,444.6	100.0%

[REDACTED] Assets at February 1, 2002

	\$ (in millions)	% of Total
[REDACTED]	1,939	84.3%
[REDACTED]	150	6.5%
[REDACTED]	111	4.8%
[REDACTED]	76	3.3%
[REDACTED]	18	0.7%
[REDACTED]	6	0.3%
Total	2,300	100%

[REDACTED] Assets to be Sold

	\$ (in millions)	% of Total
[REDACTED]	227	12%

Assets to be Sold as a % of [REDACTED]

	\$ (in millions)	% of Total
[REDACTED]	227	9.8%

[REDACTED] Assets Not to be Sold

	\$ (in millions)	% of Total
[REDACTED]	1,712	88%