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November 4, 2002

VIA ELECTRONIC MAIL

B. Michael Verne
Premerger Notification Office
Federal Trade Commission
600 Pennsylvania Ave, NW
Washington, D.C. 20580

Dear Mr. Verne:

Thank you for discussing a contemplated transaction with me last week. I write to confirm the analysis of that transaction.

Seller (a wholly owned subsidiary of Parent) is selling a credit-card portfolio. This particular portfolio is "sponsored" by a retailer, that is, the credit cards underlying this portfolio bear the retailer's name, but the accounts are owned and serviced by Seller. The sponsoring retailer has the contractual right to buy the portfolio, and instead of exercising that right directly, it has arranged for another company to buy the portfolio. The assets to be sold are valued in excess of \$500 million. The assets do not include any real estate or other tangible goods. The buyer will not be hiring any employees of Seller in connection with the transaction. The Seller is not exiting the consumer credit card business, and it is not exiting any particular geographic area.

Separate from this specific transaction, however, Parent has announced that Seller (that is, selling the company that owns the portfolio being sold in the current transaction) is itself for sale. If Seller is indeed sold, that transaction is expected to be reportable.

I understand from our discussion that the sale of the card portfolio would be considered an ordinary course transaction and therefore exempt from reporting under 15 U.S.C. § 18a(c)(1) and 16 C.F.R. § 802.1, notwithstanding the contemplated sale of Seller.