

7A(C)(1)

Verne, B. Michael

From: [REDACTED]
Sent: Tuesday, February 03, 2004 10:08 AM
To: Verne, B. Michael
Cc: [REDACTED]
Subject: Sale of Credit Card Receivables

Hi Mike - I am hoping that you can confirm that the following is exempt under ordinary course.

FACTS:

- 1) Bank X intends to sell credit card receivables and related assets to LLC X in the amount of approximately \$600 million.
- 2) After the transaction, Bank X will have in excess of \$200 million in cash and will continue to operate a debit card business although it will no longer operate a credit card business.
- 3) Simultaneously with the closing, LLC X will transfer the credit card receivables it purchased from Bank X to Trust Y for consideration equal to the purchase price of the receivables. In order to fund the purchase of the receivables, Trust Y will sell notes and certificates to investors. Trust Y will be governed by an indenture, as is typical for these kinds of transactions.

Thanks,
Pat

THE SALE BY BANK X OF ALL OF ITS CREDIT CARD RECEIVABLES IS NOT IN THE ORDINARY COURSE OF BUSINESS, EVEN IF IT CONTINUES IN OTHER LENDING ACTIVITIES (PER DOJ). CONTINUUM CAN BE APPLIED SO ONLY ONE FILING IS REQUIRED.

N. OVUKA CONCUR.

B. Michael
2/3/04

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