

Verne, B. Michael

801.2  
801.12

From: [REDACTED]  
Sent: Tuesday, February 03, 2004 3:37 PM  
To: Verne, B. Michael  
Cc: [REDACTED]  
Subject: FW: Sale of Credit Card Receivables

Hi Mike - We are investigating whether the parties will meet the size of transaction test in connection with this acquisition. You had mentioned that there would be one filing required (on the continuum theory) and I wanted to confirm that we should look at the size of the trust for purposes of determining size of parties. I look forward to hearing from you. Thanks.

Pat  
-----Original Message-----

From: [REDACTED]  
Sent: Tuesday, February 03, 2004 10:08 AM  
To: 'mverne@ftc.gov'  
Cc: [REDACTED]  
Subject: Sale of Credit Card Receivables

THE SIZE OF PERSON TEST  
WOULD BE APPLIED TO THE TRUST,  
HOWEVER CONTINUUM ONLY APPLIES  
IF THE ULTIMATE TRANSACTION IS  
REPORTABLE. IF TRUST FAILS THE  
SIZE-OF-PERSON TEST, THE LLC X  
ACQUISITION MUST BE ANALYZED  
FOR REPORTABILITY.

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

B. Michael  
2/3/04

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,

