

7A(c)(1)

Verne, B. Michael

From: [REDACTED]
Sent: Tuesday, September 07, 2004 8:13 AM
To: Verne, B. Michael
Cc: [REDACTED]
Subject: HSR Advice -

Hi Mike - I would be grateful for your advice on the following fact pattern. I will call you later this morning to discuss. Thanks.

Pursuant to a Purchase Agreement, Company A will purchase Company B, including B's subsidiary C, which is a Bank. As part of its operations, Bank C issues credit cards to its customers. Immediately following Company A's purchase of Company B (including Bank C), Company D intends to purchase Bank C's assets, including all of Bank C's current credit card accounts receivable.

Bank C will not be selling to Company D any of the customer credit card accounts which generated the accounts receivable being sold to Company D. Rather, Bank C will retain ownership over those customer credit card accounts and the customer relationships relating thereto. Importantly, Company D will have the obligation to purchase all future accounts receivable generated by Bank C's existing customer credit card accounts.

We are hoping to know whether Company D's purchase of Bank C's credit card accounts receivable (but not any of Bank C's underlying customer credit card accounts) under the facts described above is reportable under the Act.

Please assume that the size of parties and size of transaction tests are met and that Company D is in the business of purchasing loan portfolios.

ADVISED THAT THIS DOES NOT QUALIFY FOR ORDINARY COURSE EXEMPTION. BANK C IS EXITING THE CREDIT CARD BUSINESS BECAUSE D IS OBLIGATED TO PURCHASE ALL FUTURE ACCOUNTS RECEIVABLE ASSOCIATED WITH THESE CREDIT CARD ACCOUNTS. WRITER CONFIRMS THAT C WILL NOT BE GENERATING ANY NEW CREDIT CARD ACCOUNTS.

1

D / 9/18/04