

7A(C)(1)

December 15, 2004

By Email

Mr. B. Michael Verne
Federal Trade Commission
Premerger Notification Office
Room 303
6th and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Premerger Reporting Obligations: Ordinary Course Exemption

Dear Mike:

This letter is a follow-up to the telephone conversation that we had yesterday during which we discussed the transaction described below and your view that the transaction should not be subject to the reporting requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "Act").

In our discussion, we assumed that in connection with an assets transaction, the so-called "size-of-person" test and the so-called "size-of-transaction" test were met.

Specifically, the assets to be sold in the transaction we discussed are so-called merchant processing contracts that are held by Seller and its affiliates directly or as a result of certain agent bank merchant contract relationships. A merchant processing contract is a contract pursuant to which a third party provides transaction processing services to a merchant (such as a grocery store, gasoline station or other retailer). An agent bank merchant contract is a contract pursuant to which a bank either: (a) refers merchants to a third party transaction processing services provider (a "Processor") in exchange for which the agent bank receives a fee for the referral; or (b) acquires so-called "wholesale" transaction processing services from a Processor and the bank resells these services to merchants. In the case of an agent bank merchant contract under which a bank refers merchants to a Processor, the Processor enters into an agreement with each referred merchant to provide transaction processing services. In the case of an agent bank merchant contract under which the bank acquires so-called "wholesale" transaction processing

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services from a Processor, the bank enters into an agreement with each merchant to provide transaction processing services.

In this case, the group of merchant processing contracts to be sold by Seller constitutes approximately 2% of the merchant processing contracts held by Seller and its affiliates.

The Buyer is an entity that is already engaged in the business of merchant processing contracts.

Based upon these facts, we believe and you concurred that the so-called ordinary course of business exemption should be applicable to this transaction and that no filing under the HSR Act would be required even though the so-called "size-of-person" test and so-called "size-of-transaction" test are met.

As always, we thank you for your prompt attention to our inquiry. If the foregoing does not conform to your understanding, please contact us. My direct number is listed above.

Very truly yours,



cc:



Agree -
B. Verne
12/15/04

