

Verne, B. Michael

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From: [REDACTED]
Sent: Thursday, August 30, 2007 10:16 AM
To: Verne, B. Michael
Subject: Ordinary Course

Mike,

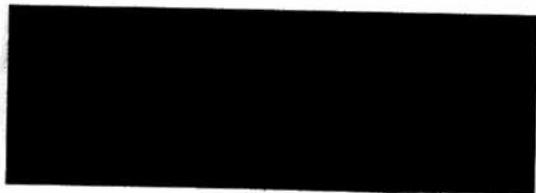
I am writing to confirm our telephone conversation of Monday afternoon. The proposed transaction I described to you is as follows:

A subsidiary of large US financial institution is selling all of the assets of its brokerage business in Puerto Rico. The assets to be sold include customer accounts, margin loans (secured by securities in the customer accounts) and other loans to customers. The consideration to be paid for the loans is \$59 million and is equal to the face amount of the loans plus accrued and unpaid interest. The consideration for the remaining assets is \$4 million plus an earnout of up to an additional \$6 million. As a result of the transaction the seller will be exiting the brokerage business in Puerto Rico but, after the transaction, other entities within the same ultimate parent entity as the seller will continue to offer loans in Puerto Rico.

You advised that the sale of the loans is exempt from HSR Act requirements as sales in the ordinary course of business and therefore could be excluded when determining whether the size of transaction test is satisfied.

Please confirm that my understanding is correct. Many thanks.

Best regards,



AGNESE
BM
8/30/07

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8/30/2007

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