

7A(c)(1)

Verne, B. Michael

From: [REDACTED]
Sent: Tuesday, December 23, 2008 12:29 PM
To: Verne, B. Michael
Cc: [REDACTED]
Subject: 7A(c)(1) and/or 802.1

Mike,

We are analyzing a proposed transaction that we believe is nonreportable under HSR, and we would like to confirm with you that our analysis is correct.

Seller is a global provider of risk management and consulting services and insurance and reinsurance brokerage, including the origination and financing of loans to pay for purchasing insurance premiums or the brokerage of such loans.

This premium financing business is currently conducted by Seller in three primary ways:

- (1) through a wholly-owned domestic subsidiary that originates and services the premium funding loans for insureds that reside in the US ("Sub A"),
- (2) through wholly-owned foreign subsidiaries that, outside the U.S., originate and service premium funding loans for insureds that reside outside of the US, and
- (3) through a wholly-owned subsidiary ("Sub B") that acts as a broker for the clients of other of the Seller's businesses that are seeking insurance premium financing, referring these clients to either Sub A or a third-party premium financing company often with Sub B originating the premium financing loan itself and then immediately reselling it to the premium finance company for the client.

Through the proposed transaction, Seller is selling that portion of its domestic insurance premium funding business of Sub A. It is retaining: (i) the business of Sub B, which will continue to originate and finance premium funding loans (subject to immediate resale of such loans) in certain, if not all of, U.S. states, although with Buyer having a right of first referral for new business subject to client agreement; and (ii) the foreign business.

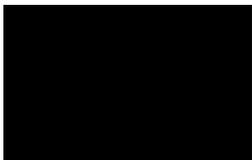
This sale is contemplated as an asset sale, which will include loan premium receivables, the associated servicing business, and certain technologies incident to that servicing business. Seller will no longer operate any of its premium funding business from the location of Sub A though it will continue to operate domestically as described above from the location of Sub B. In addition, Seller still will have an international insurance premium funding business, through which it will continue to originate loans to fund insurance policies, will either hold or sell those loans to third parties, and will service loans it holds. Seller currently intends to exit the international insurance premium although it has not yet entered into a definitive agreement with any party with respect to that business.

In the immediate near term, though, Seller will continue in the insurance premium business outside the United States. Seller will also continue to provide in the United States the many other insurance and reinsurance brokerage services it currently offers, including the brokerage of premium funding loans and, in certain states, the origination/financing with subsequent resale of such loans through Sub B.

The size-of-transaction and size-of-person tests appear to be met. Nevertheless, we believe that the sale of Seller's domestic insurance premium funding business is exempt under either or both of Section 7A(c)(1) or Rule 802.1 as a transfer in the ordinary course of business. Although we are aware that a sale of an "operating unit" would not be exempt, we believe that Seller is not selling an operating unit within Section 802.1 because, as indicated above, Seller will continue in the insurance premium funding business internationally after this transaction for at least some unspecified period and it will continue domestically the origination/financing business of Sub B (subject to immediate resale of such loans). See Informal Interpretation 0806013, June 16, 2008; 0706003, June 1, 2007; 0511009, November 11, 2005; 0404005, April 5, 2004.

Per our email exchange of a few minutes ago, I will call you today at 2:30 PM to discuss this transaction, unless you have all the facts you need to make a determination and you reply to me beforehand. If you need any additional information, we would be happy to provide it.

Thank you in advance.



AGREE -
 BM
 12/23/08

12/23/2008