

July 29, 1986

Andrew Scanlon, Esq.
Compliance Specialist
Federal Trade Commission
Premerger Office - Room 301
Washington, D.C. 20580

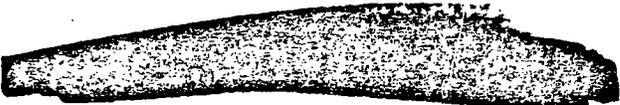
Dear Mr. Scanlon:

Reference is made to our telephone discussion on July 8 concerning bank holding company acquisitions as described in the exemptions set forth in Subsections (7) and (8) of Section 7A(c) of the Clayton Act.

I. THE FACTS

As I indicated to you during our telephone discussion, we represent a bank holding company (registered as such under the Bank Holding Company Act of 1956 (the "BHC Act")) which proposes to acquire another bank holding company (similarly registered) in a transaction in which a new bank holding company would be created with two subsidiaries. Each of the two existing bank holding companies would be merged with and into the subsidiaries of the new bank holding company to be formed. Accordingly, upon completion of the transaction, the two existing bank holding companies would be wholly-owned subsidiaries of the newly-formed bank holding company. As I indicated to you in our conversation, we view the transaction as the acquisition by a newly formed bank holding company of two existing bank holding companies.

This material is exempt from
the confidentiality provisions of
Section 7A (b) of the Clayton Act
which restricts release under the
Freedom of Information Act



Andrew Scanlon, Esq.
July 29, 1986
Page 2

The registration of the new company, as the parent to both bank holding companies, and the separate acquisitions of each of the existing bank holding companies may be consummated only with agency approval under Section 3 of the BHC Act. In addition, because each of the two existing bank holding companies have (a) wholly-owned non-bank subsidiaries and (b) wholly-owned bank subsidiaries which, in turn, have wholly-owned non-bank subsidiaries, separate applications with respect to the non-bank subsidiaries will be submitted for agency approval pursuant to Section 4 of the BHC Act. However, despite the fact that separate Section 4 applications are necessary, the transaction will proceed only as an integrated whole and the separate acquisition of the non-bank subsidiaries is not contemplated. In other words, submission of an application for the non-bank acquisitions pursuant to Section 4 of the BHC Act is necessary as an administrative matter but such acquisitions cannot proceed unless there is approval of the basic transaction pursuant to Section 3 of the BHC Act.

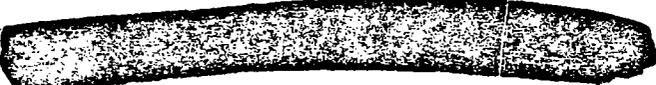
II. APPLICABLE EXEMPTIONS.

For the purpose of our inquiry, as I indicated to you, we assume that Section 7A(a) of the Clayton Act ("Clayton") is generally applicable to the transaction, subject to the existence of exemptions. During our discussion, we discussed the exemptions set forth in Subsections (7) and (8) of Section 7A(c) of Clayton.

III. THE QUESTION PRESENTED.

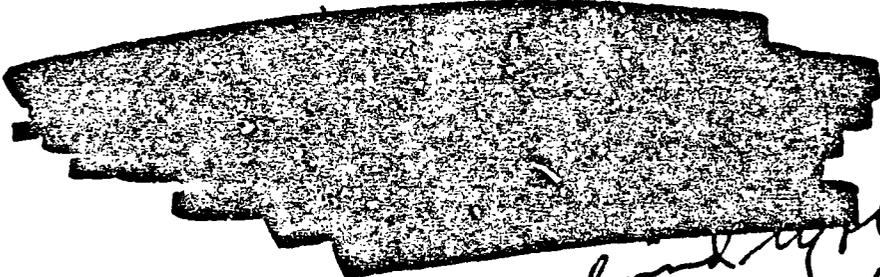
We have been asked to advise our client whether, prior to consummation of the transaction, the client is required under Clayton to file any documentary material or indexes with either the Federal Trade Commission or the Assistant Attorney General. It is our view that, because the integrated transaction may not proceed without approval pursuant to Section 3 of the BHC Act, the exemption pursuant to Section (7) of Section 7A(c) of Clayton is applicable and accordingly, no filing of any documentary material (or indexes) is required to be made with either the Federal Trade Commission or the Assistant Attorney General. Further, we believe that the fact that additional applications must be submitted under Section 4 of the BHC Act with respect to the acquisition of non-bank direct and indirect subsidiaries does not eliminate the exemption set forth in Subsection (7) of Section 7A(c) of Clayton since the acquisition of the non-bank subsidiaries pursuant to Section 4 of the BHC Act will not proceed unless there has been approval of the basic transaction under Section 3 of the BHC Act.

During our telephone conversation you concurred with our view.



Andrew Scanlon, Esq.
July 29, 1986
Page 3

The purpose of this letter is to confirm our understanding of our discussion. We would appreciate your acknowledging receipt of this letter and, if appropriate, confirming to us your concurrence.



Andrew Scanlon
on Aug 11, 1986
that I agree
Aug

Upon later review this appears to
be in error regarding the submission
of documentary info for that portion of
the transaction subject to § 4 of the BHC Act.
4/10/87 J.M.D.