

[REDACTED]

[REDACTED]

Fax
Direct Line

[REDACTED]

April 3, 1998

VIA EXPRESS DELIVERY

Mr. Patrick Sharpe
Federal Trade Commission
Pre-Merger Notification Office
Washington, D.C. 20580

This material may be subject to the confidentiality provisions of section 7A(H) of The Clayton Act which restricts release under The Freedom of Information Act.

RE: SALE/PURCHASE OF CREDIT CARD PORTFOLIO

Dear Mr. Sharpe:

This letter is being sent to confirm our telephone conversation of March 23. As we discussed at that time, my client [REDACTED] (the "Acquiring Person") through two of its banking subsidiaries [REDACTED] and [REDACTED] intend to acquire the Visa and MasterCard credit card portfolio of [REDACTED] (the "Acquired Person"). We believe that the transaction is exempt from the premerger notification filing requirements of the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976 as a transaction in the ordinary course of business under 16 CFR Section 802.1 for the reasons which we discussed, as summarized below.

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The Acquiring Person is an issuer of credit cards which from time to time acquires legal title and processing responsibilities for credit card portfolios originated by other banks and non-financial institution issuers. In most of these transactions, even after the sale the seller of the portfolio remains active in the process of soliciting and servicing the purchased credit cards and the Acquiring Person does not acquire the personnel or tangible personal property (other than the prepared plastic stock and application and marketing forms) of the Acquired Person. This is true in the case of the proposed transaction. OK

The Acquired Person is not selling all the assets of a subsidiary, a division or a region. The Acquired Person will continue to play the following roles in its consumer lender operating unit: OK

- Act as interim servicer on the sold accounts for a period of time

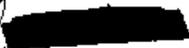
- Solicit current and new customers for the credit cards | *not exiting credit card business*
- Act as an agent bank for the Acquiring Person to assist in expansion and retention of the credit card business as it relates to its own banking customers
- Accept payments on the accounts for the benefit of the Acquiring Person
- Use its trademarked logos to identify the credit cards
- Receive continuing payments from the Acquiring Person related to the expansion of the credit card business to its customers
- Approve all marketing materials for solicitation of cards to its customers
- Continue to make other consumer loans, such as car, boat, home equity, residential loans, etc.
- Cross-sell credit cards with other consumer loans and banking products
- Maintain the right under certain circumstances to acquire and manage other credit card products
- Guarantee the repayment of certain credit card accounts
- Maintain its credit card merchant business

For these reasons, we believe that it is appropriate to determine that the Acquired Person *OK* is still in the credit card business as well as a full service consumer lender, has not exited or terminated a line of business or division, and that the proposed transaction is exempt from premerger notification filing.

I appreciate your time in discussing this matter. If you feel this letter does not accurately confirm the principles and conclusions of our conversation, please contact me at the above number at your earliest convenience. Thank you for your assistance in this matter.

Very truly yours,


*I concur with this letter that it is in the ordinary course of business
(PS) 4/8/98*

called  4/8/98