

7A(6)(A)

ATTORNEYS AT LAW

WORK'S DIRECT LINE

EMAIL ADDRESS

CLIENT/MATTER NUMBER

September 6, 2000

VIA HAND DELIVERY

Patrick Sharpe
Premerger Notification Office
Bureau of Competition
Federal Trade Commission

Washington, D.C. 20580

Dear Patrick:

I am writing to confirm my understanding of telephone conversations we had yesterday

selling a loan portfolio ("Loan Portfolio") to Corporation C, an unrelated entity also engaged in

Portfolio also includes loans administered by one or more other offices of the Division, but the loans attributable to any one of these other offices is less than the majority of loans administered by that particular office. The Division will take back participation in several of the loans in the Loan

Portfolio, with this participation representing in aggregate approximately 15% to 20% of the dollar value of the loans being sold to Corporation C.

In addition to acquiring the Loan Portfolio, as a part of the approximately \$100 million purchase price, Corporation C will acquire the physical space of the Division's office of City A, including assumption of the lease and acquisition of certain furniture and equipment. However, the Division will continue to loan funds and administer loans in City A from a new, but smaller office in City A. The Division also will continue to loan funds and administer loans from its other offices. Corporation C will not acquire the right to use the Division's or Corporation A's name. Certain of the current employees of the Division's office in City A may be hired, but are not required to be hired, by Corporation C after the transaction. The most senior employee in the Division's office in employees.

In support of this conclusion, you noted that the Division was not "exiting" the loan business, and that not "substantially all" of the loans administered by the Division were being acquired. You noted that even acquiring 75% of the assets of a division had been viewed by the FTC as not constituting "substantially all" of the assets of a division such that the ordinary course exemption may not apply while acquiring 90% of the assets of a division would be viewed as

I noted that

exemption to apply there was no requirement that the specific parties to this transaction regularly engage in the buying or selling of loans.

in the ordinary course of business to buy and sell loans for banking and finance companies. It does have to be in the ordinary course of business.

Further, you confirmed that the acquisition by Corporation C of the physical space of the Division's office of City A, including assumption of the lease and acquisition of certain furniture and equipment would not make the ordinary course exemption inapplicable in the context of the sale of a portfolio of loans, and that the sale of the office related assets would not be separately reportable.

Please let me know as soon as possible if you disagree with any of the conclusions discussed above, or if I have misunderstood any aspect of your advice. Thank you for your assistance in this matter.

Very truly yours

[Redacted signature block]
at least I agree with this
[Redacted]
LETTER WITH AN EXEMPTION NOTICE