

7/1/84
A retailer's acquisition of account receivables (AR) which were
previously created by [redacted] in connection with
sales by the retailer is exempt from the retailer's
financial division which is engaged in the
acquisition of AR as out of [redacted] business

Premarmer Notification Office

6th Street and Pennsylvania Avenue

Re: Request for Informal Interpretation

Dear Victor:

In several telephone conversations yesterday and today, I outlined the following transaction:

X controls a number of subsidiaries engaged in retail sales. Through an arrangement with K

card. When customers purchased goods from X retail operations, receivables were created by A reflecting the credit extended by A to each customer.

X is now in bankruptcy and the credit card program with A has been terminated and is being unwound. X has arranged for debtor-in-possession financing with B, another bank. One term of this financing

is also in bankruptcy, will acquire from A the accounts receivable created in connection with purchases from X retail operations. The accounts

Z, a newly formed entity also controlled by X; Z is not the immediate purchaser from A for reasons

[REDACTED]

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Page 2

relating to the bankruptcy proceeding, but the transfer from A to Y and from Y to Z will be effected simultaneously.

Y is a special purpose finance entity. Its sole purpose will be to purchase accounts receivable from X subsidiaries on an ongoing basis. To do this, it will borrow funds from B and issue unsecured promissory obligations for the balance. Its initial acquisition will be of the accounts receivable now held by A that were created in connection with X retailer sales.

The accounts receivable to be sold by A to Y are a small part of the total accounts receivable created and maintained by A. After this sale, A will remain in business as a commercial bank, including in the business of creating and

maintaining accounts receivable, because the purchase and sale of accounts receivable is in A's ordinary course of business and the purchase of accounts receivable created in connection with X retailer sales will be in Z's ordinary course of business.

If you have any questions, please do not hesitate to call.

Thank you for your assistance.

[REDACTED]