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[REDACTED]

November 21, 1990

VIA TELECOPY

[REDACTED]

Bureau of Competition
Room 303
Federal Trade Commission
6th and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re Exempt Transaction

Dear Victor,

Attached is an outline of a transaction that involves the transfer of certain assets in the ordinary course. We believe that the events described in the attached outline are exempt from the reporting requirements of the Hart-Scott-Rodino Antitrust Improvements Act.

[REDACTED]

[REDACTED]

Acquisition of credit card servicing rights relating to the authorization, clearing & settlement of transactions based on credit card sales is considered an acquisition of assets that is exempt as goods transferred in the ordinary course of business.

RS agrees

✓

This transaction involves the transfer of certain assets to a limited liability company ("LLC"). This outline has been prepared to facilitate the determination of whether (a) the

member, and the subsequent contribution of such assets to the LLC; nor (b) the contribution of certain assets by one LLC member to the LLC and the subsequent purchase of member interests in the LLC by the non-contributing member, are subject to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

For purposes of this outline, assume that parties A and B, through each their own "controlled"

Background

1. A and B are "controlled" entities of A1 and B1, respectively. A1 and B1 are the sole members of an LLC (hereafter, "AB LLC"). Each of A1 and B1 hold 50% of the membership interests of AB LLC.
2. AB LLC is governed by a six person management committee. A1 appointed three persons; B1 appointed the other three persons.
 - a. These persons are officers, directors or employees of A or B or their respective "controlled" entities.
 - b. The management committee governs the day to day operations of AB LLC. The management committee has limited authority - all "board of directors" type powers (e.g. sale of AB LLC, merger or consolidation of AB LLC, voluntary liquidation or dissolution of AB LLC, incurrence of indebtedness of more than \$25,000 by AB LLC, etc.) have been specifically retained by A1 and B1.

Contemplated Transaction

1. A1 and B1 desire to expand the business of AB LLC. To that end, certain assets held by A1 (the "Assets") will be transferred to AB LLC. A and B, through various mechanisms, regularly acquire and dispose of the types of assets that constitute the

TYPE OF ASSETS?

issues, the transfer of the Assets should occur in one of two ways

payment to A1

thereafter, A1 and B1 will contribute their undivided 50% interests in the Assets to AB LLC; or

(member) that

result of the contribution, A1 will be deemed to own greater than 50% of the

that action

Potentially Repeatable
Same or repeatable
Sale to LLC
potentially repeatable by A1 & B1
if not then process

could (use) for payment others

in the

with the

membership interests in AB LLC. To equalize A1's and B1's holdings in AB LLC, B1 will acquire from A1 membership interests in AB LLC so that following the acquisition of membership interests, A1 and B1 will hold 50% of the

