

TELECOPY MEMORANDUM

To: Mr. Patrick Sharpe **Date:** March 27, 1998
Fax #: 202-326 -2624 **Pages:** 3 Including cover sheet
From: [REDACTED]
Subject: Purchase of Credit Card Portfolio in Ordinary Course of Business

COMMENTS: As I discussed in my voice mail message, I am sending this letter to confirm our conversation. Thank you for your assistance in this matter.

The attached document is intended for the use of the person(s) to whom it is addressed, and may contain information that is privileged and confidential. If you are not the intended recipient, or the employee or agent responsible for delivering the attached document to the intended recipient, you are hereby notified that any dissemination, distribution, or disclosure of this information is strictly prohibited.

98 MAR 27 PM 5 27
 202 326 2624

[REDACTED]

[REDACTED]

[REDACTED]

March 27, 1998

VIA EXPRESS DELIVERY

Mr. Patrick Sharpe

Washington, D.C. 20580

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] 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 Improvement Act of 1976, as a transaction in the ordinary course of business, under SEC ED Section 802.110f for the reasons which we discussed, as summarized below.

The Acquiring Person is an issuer of credit cards which from time to time acquires legal 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

- Act as interim servicer on the sold accounts for a period of time
- Solicit current and new customers for the credit cards

- 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 *not will continue in the credit card business*
- 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 is still in the credit card business as well as a full service consumer lender. has not exited or

[REDACTED]

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,

[REDACTED]

B

This can be exempt under 202.1, acquisitions in the ordinary course of business, all of the assets of a subsidiary, division or a region.

called [REDACTED]

3/30/98 I concur with this letter-exceptions noted.