

TELECOPY MEMORANDUM

To:

Mr. Patrick Sharpe

Date:

March 27, 1998

Fax#:

202-326 -2624

Pages:

3 Including cover sheet

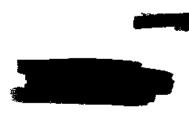
From:

- - - -

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.

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March 27, 1998

VIA EXPRESS DELIVERY

Mr Patrick Charm.

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 the following subsidiaries that the "Acquiring Person") through two of its banking subsidiaries that the same master carrier care portfolio of the "Acquired Person"). We believe that the transaction is exempt from the premerger notification filing requirements of the Hart-Scott-Rodino Anti-Trust in present that a fulfile can transaction in the artifacts course of husiness under 16 CED Decues 302. [10] the present and the premerger is the artifacts course of husiness under 16 CED Decues 302. [10] the present and the premerger is the artifacts course of husiness under 16 CED Decues 302. [10] the present and the premerger is the artifacts course of husiness under 16 CED Decues 302. [10] the present and the premerger is the artifacts of the present and the premerger is the premerger in the premerger in the premerger in the premerger is the premerger in the

The Acquiring Purson 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 services 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 (anti-not) in the credit card bullet

- 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 in still in the amilit word business as suall as a full couries consumer leader. has not arited or

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 carliest convenience. Thank you for your assistance in this matter.

This can be exempt under 802. +, acquisitions
in incommany contact subsidiary, division or a region.
all of the assets of a subsidiary, division or a region.

Called

This letter exceptions
noted.