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**Facsimile Transmittal**

To: Mike May      Department: Federal Trade Commission

From: [REDACTED]      Reference:  
Date: May 21, 1999      Time: 11:44 a.m.

Total pages including this page: 3

If you do not receive all pages, or if there is any question, please call [REDACTED] at

Message:

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[REDACTED]

[REDACTED]

[REDACTED]

May 21, 1999

VIA FACSIMILE AND U.S. MAIL

FAX NO. (202) 326-2624

Mike Vern  
Federal Trade Investigator  
Premerger Notification Office  
Bureau of Competition  
Room 303  
Federal Trade Commission  
Washington, D.C. 20530

Subject: Confirmation of Non-Reportable Transaction

Dear Mr. Vern:

person and (2) substantially all of the acquired person's assets consist primarily of a beneficial interest in a trust, the corpus of which consists entirely of a pool of residential mortgage loans. Based on this description, you stated that the informal view of the Federal Trade Commissioner (FTC) is that this transaction is non-reportable under the Hart-Scott-Rodino Antitrust

Improvements Act of 1976 (the "Act").

Since our telephone conversation, I have learned that the transaction has been identified in some for tax purposes.

Transaction will be part of a plan of reorganization approved by a federal bankruptcy court.

of thirteen trusts (collectively, the "Trusts"). The acquired person retained mortgage servicing rights with respect to the Loans and a beneficial interest in the Trusts described below. The Trusts issued and publicly offered securities (the "Senior Securities") representing ownership interests or secured by the Loans. The acquired person's beneficial interests in the Trusts

MORTGAGE SERVICING RIGHTS WHICH ARE NOT SUBJECT TO MORTGAGE SERVICING RIGHTS TO BE ACQUIRED ARE NOT EXCEPT.

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... to receive the cash flow from the Trusts after the payments required under the Senior Securities have been made and the Trusts' expenses have been paid.

assets other than mortgage servicing rights and its beneficial interests in the Trusts described above.

4. The acquiring person will organize two controlled subsidiaries: Company A and Company B.

5. Company A will purchase certain assets of the acquired person and the acquired person will transfer certain other assets (not limited by Company B) to a newly formed trust organized for the benefit of the acquired person's creditors. Following these transfers,

*Not Mortgage Servicing Assets*

you have any questions or need any further information.

Very truly yours,

[Redacted Signature]

Federal Trade Commission

By: \_\_\_\_\_  
Mike Vern  
Federal Trade Investigator

cc: [Redacted]

*IF THE MORTGAGE SERVICING RIGHTS ARE THE ONLY MORTGAGE ASSETS EXCEPT \$15MM, THIS ACQUISITION IS NOT EXEMPT UNDER 802.4.*

*THE RIGHT TO RECEIVE FUTURE CASH FLOW FROM AN INTEREST IN A TRUST WHICH DOES NOT OWN ANY MORTGAGE LOANS IS EXEMPT UNDER 802.4*