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Comptroller of the Currency  
Administrator of National Banks

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250 E Street, SW  
Washington, DC 20219

May 28, 1999

**Corporate Decision #99-15**  
**June 1999**

Cornelius J. Chapman, Jr.  
Hutchins, Wheeler & Ditmar  
101 Federal Street  
Boston, MA 02110

Re: Change in Bank Control of Metris Companies, Inc., St. Louis Park, MN, parent of Direct Merchants Credit Card Bank, N.A., Phoenix, AZ (Bank), by Thomas H. Lee, an individual, Thomas H. Lee Company, a sole proprietorship, Thomas H. Lee Equity Fund IV, Limited Partnership, and THL Equity Advisors IV, Limited Liability Company (collectively referred to as "Filers").  
Application Control Number: 1999-WE-11-0001

Dear Mr. Chapman:

The Office of the Comptroller of the Currency (OCC) has reviewed and evaluated the Notice of Change in Bank Control, involving Metris Companies, Inc., St. Louis Park, MN, parent of Direct Merchants Credit Card Bank, N.A., Phoenix, AZ. Based on a thorough review of all information available, and on representations made by the Filers, including those made by letter dated May 26, 1999, and as to the fact that the Filers (except Thomas H. Lee) and Metris Companies, Inc., will be affiliates of the Bank under Sections 23A and 23B of the Federal Reserve Act<sup>1</sup>, this letter is issued to convey our intent not to disapprove the proposed change in control. The proposed acquisition may proceed immediately and Filers may begin to exercise immediately all rights pertaining to the stock of Metris Companies, Inc., owned by Filers.

The date of consummation of this change in control must be provided to the Western District Office within 10 days of consummation. The transaction must be consummated as proposed in the notice. If any of the terms, conditions, or parties to the transaction described in the notice change, the OCC must be informed in writing prior to consummation to determine if any

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<sup>1</sup> All transactions between the bank and its affiliates must comply with the quantitative and qualitative restrictions set forth in these provisions. See 12 §§ 371c, 371c-1.

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additional action/reconsideration is required. In such situations, the OCC reserves the right to require the submission of an amended or new Notice of Change in Bank Control.

In addition, unless an extension is granted, the transaction must be consummated within six months of the date of this letter. Failure to consummate within six months or an approved extended time period granted by the OCC will cause our decision to lapse and require the filing of a new notice by the acquiring parties and the appropriate filing fee if the acquirer wishes to proceed with the change in bank control.

If you have questions, please contact the undersigned at (202) 874-5060 or Senior Licensing Analyst Maeve O'Meara at (415) 545-5923.

Very truly yours,

/s/

Beverly L. Evans  
Senior Corporate Analyst  
Washington-Directed Licensing