

# STEPTOE & JOHNSON LLP

ATTORNEYS AT LAW

1330 CONNECTICUT AVENUE, N.W.  
WASHINGTON, D.C. 20036-1795

(202) 429-3000  
FACSIMILE: (202) 429-3902  
TELEX: 89-2503

STEPTOE & JOHNSON INTERNATIONAL  
AFFILIATE IN MOSCOW, RUSSIA

TELEPHONE: (011-7-501) 258-5250  
FACSIMILE: (011-7-501) 258-5251

PHOENIX, ARIZONA  
TWO RENAISSANCE SQUARE  
TELEPHONE: (602) 257-5200  
FACSIMILE: (602) 257-5299

STEVEN K. DAVIDSON  
(202) 429-8077

January 10, 1997

**BY MESSENGER**

Steven Semeraro, Esquire  
United States Department of Justice  
Antitrust Division  
Civil Enforcement Section  
Liberty Place Building  
325 Seventh Street, N.W.  
Suite 333  
Washington, D.C. 22530

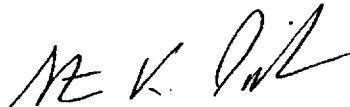
Re: Civil Investigative Demand  
No. 15382/First Union Corporation

Dear Steve:

Enclosed please find First Union's responses to the Department of Justice's December 13, 1996 inquiry and First Union's supplemental response to Civil Investigative Demand No. 15382. In addition, enclosed please find documents bates-stamped numbers 6020 through 6025.

Please call me if you have any questions.

Very truly yours,



Steven K. Davidson

Enclosures

P-0970

DOJC-006904

CIVIL TRUST SECTION

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DEPT OF JUSTICE  
ANTITRUST DIVISION

UNITED STATES  
DEPARTMENT OF JUSTICE  
Antitrust Division

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FIRST UNION CORPORATION ) Civil Investigative  
\_\_\_\_\_) Demand No. 15382  
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FIRST UNION CORPORATION'S RESPONSES TO THE U.S. DEPARTMENT OF JUSTICE'S DECEMBER 13, 1996 SUPPLEMENTAL INTERROGATORIES AND FIRST UNION CORPORATION'S THIRD SUPPLEMENTAL RESPONSES TO U.S. DEPARTMENT OF JUSTICE CIVIL INVESTIGATIVE DEMAND NO. 15382

Pursuant to 15 U.S.C. § 1312 and Federal Rules of Civil Procedure 26, 33, and 34, First Union Corporation hereby submits the following Response to the Department of Justice's December 13, 1996 supplemental inquiry concerning Civil Investigative Demand No. 15382 and the following Third Supplemental Responses to U.S. Department of Justice Civil Investigative Demand No. 15382, as modified by the October 4, 1996 and October 11, 1996 letter agreements between counsel for First Union Corporation and the Department of Justice ("Letter Agreements").

OBJECTIONS

First Union incorporates fully in these Responses all objections stated in its October 18, 1996 Responses, October 22, 1996 First Supplemental Responses, and October 28, 1996 Second

Supplemental Responses to Civil Investigative Demand No. 15382 as if each objection were restated fully herein.

RESERVATION OF RIGHT

The information and documents sought by the Department of Justice are located in various places throughout First Union Corporation. Although First Union has made a diligent effort to locate all responsive information and documents, because of the number of locations involved in this search, First Union may not have located all such information and documents.

Therefore, First Union reserves the right to amend and to supplement all of its answers to these Responses, and its log of privileged documents, as additional responsive information is found by way of discovery or otherwise.

RESPONSES TO DECEMBER 13, 1996  
SUPPLEMENTAL INTERROGATORIES

1. Identify all current and former officers and employees of your organization who serve or have served on a Visa or MasterCard committee at any time between January 1, 1990, and the present. The term "committee" includes any standing committee, operating committee, advisory committee, ad hoc group or council, or other group consisting of one or more persons employed by a member financial institution, but does not include committees that consist exclusively of members of a Board of Directors of one of the associations. In addition to the information required pursuant to the definition of identify set forth in the CID, please provide the name of the committee(s) on which the individual served, the length of service, and whether that individual was consulted and whether responsive documents from his or her files were included in your response to the CID.

ANSWER: First Union objects to this Interrogatory on the grounds that it is vague, overbroad, unduly burdensome, and not reasonably calculated to lead to information that is relevant to this investigation. Subject to, and without waiving, this objection or the general objections incorporated herein, First Union identifies the following persons:

(a) Burt Melton, 301 S. College Street, Charlotte, NC 28288, (704) 374-6616, First Union Corporation, Executive Vice President of Consumer Group, January 17, 1966 to the present, Visa Board of Directors (presently serving). This individual was consulted and responsive documents from his files, if any, were included in First Union's response to the CID.

(b) Fred Winkler, 1525 West W.T. Harris Boulevard, Charlotte, NC 28262-8501, (704) 590-4012, First Union Corporation, Executive Vice President of Customer Direct Access Division, April 26, 1993 to the present, MasterCard U.S. Region Business Committee (1993 to the present). This individual was consulted and responsive documents from his files, if any, were included in First Union's response to the CID.

(c) Bill Farris, 1525 West W.T. Harris Boulevard, Charlotte, NC 28262-8501, (704) 590-4014, First Union Corporation, Senior Vice President, Marketing & Strategic Planning, May 31, 1993 to the present, Visa Marketing Advisors

Committee (September 1993 to the present), MasterCard Customer Satisfaction Committee (January 1995 to July 1996), Visa Promotion Development Ad-Hoc Group (March 1994), MasterCard Premium Card Council (May 1996), Targeted Visa Review (May 1996). This individual was consulted and responsive documents from his files, if any, were included in First Union's response to the CID.

(d) Steven G. Boehm, 1525 West W.T. Harris Boulevard, Charlotte, NC 28262-8501, (704) 590-4008, First Union Corporation, Senior Vice President, Customer Relations and Information Services, November 30, 1992 to the present, Visa U.S. Card Operations Advisors Committee (January 1995 to August 1996), VisaNet Services Advisory Group (July 1996 to the present). This individual was consulted and responsive documents from his files, if any, were included in First Union's response to the CID.

(e) Terry Terbrueggen, 7750-1 Bayberry Road, Jacksonville, FL 32256, (904) 367-4603, First Union Corporation, Senior Vice President, Customer Relations and Information Services, November 30, 1992 to the present, Visa Merchant Bank Services Committee (1994). This individual was consulted and responsive documents from his files, if any, were included in First Union's response to the CID.

(f) Craig Henry, 1525 West W.T. Harris Boulevard, Charlotte, NC 28262-8501, (704) 590-2760, First Union Corporation, New Account Acquisition Coordinator, April 20, 1994 to the present, Visa Gold Card Working Group (September 1994). This individual was consulted and responsive documents from his files, if any, were included in First Union's response to the CID.

(g) Patrick Reily, 1525 West W.T. Harris Boulevard, Charlotte, NC 28262-8501, (704) 590-2787, First Union Corporation, Activation, Usage and Retention Coordinator, April 4, 1994 to the present, MasterCard Marketing Advisors Committee (1994). This individual was consulted and responsive documents from his files, if any, were included in First Union's response to the CID.

(h) Dave Benjamin, 1525 West W.T. Harris Boulevard, Charlotte, NC 28262-8501, (704) 590-2820, First Union Corporation, Vice President, Product Development, Commercial Products, Visa Commercial Card Board of Advisors (October 1995 to the present). This individual was consulted and responsive documents from his files, if any, were included in First Union's response to the CID.

(i) Kevin McKenzie, 1525 West W.T. Harris Boulevard, Charlotte, NC 28262-8501, Phone N/A, First Union Corporation,

Systems Manager, November 10, 1986 to August 8, 1996, Interlink Operations/Risk Management Committee (January 1993 to August 1995), Interlink Technical Forum (January 1993 to August 1995). Pursuant to the Letter Agreements, searches for information and documents were limited to "decision-maker types" in the Customer Direct Access Division (formerly "Card Products Division"). Therefore, this individual was not consulted in connection with the preparation of First Union's response to the CID.

(j) Thomas French, 1525 West W.T. Harris Boulevard, Charlotte, NC 28262-8501, (704) 590-3003, First Union Corporation, Fraud Prevention Manager, August 27, 1990 to the present, Visa/MasterCard East Coast Fraud Steering Committee (1995 to the present). Pursuant to the Letter Agreements, searches for information and documents were limited to "decision-maker types" in the Customer Direct Access Division (formerly "Card Products Division"). Therefore, this individual was not consulted in connection with the preparation of First Union's response to the CID.

(k) Ralph Perry, Two First Union, 301 S. Tyron Street, Charlotte, NC 28288, (704) 374-7913, First Union Corporation, Distribution Planning and Research Manager, June 11, 1979 to the present, Marketing Committee for Interlink (presently serving). Pursuant to the Letter Agreements, searches for

information and documents were limited to "decision-maker types" in the Customer Direct Access Division (formerly "Card Products Division"). Therefore, this individual was not consulted in connection with the preparation of First Union's response to the CID.

(l) Charles L. Terribile, One First Union Center, 301 S. College Street, Charlotte, NC 28288, (704) 383-4906, First Union Corporation, Senior Vice President and Deputy General Counsel, Legal Division, February 1996 to the present, Visa Legal Advisory Committee (February 1996 to the present). This individual was consulted and responsive documents from his files, if any, were included in First Union's response to the CID.

(m) J. Thomas Dunn, Jr., One First Union Center, 301 S. College Street, Charlotte, NC 28288, (704) 383-6611, First Union Corporation, Senior Vice President and Deputy General Counsel, Legal Division, presently employed, Visa Legal Advisory Committee (served through 1995). This individual's files were reviewed and responsive documents, if any, were included in First Union's response to the CID.

(n) Ronald B. Davis, address and dates of employment unavailable as of the date of this Response, City Executive for Concord, North Carolina, Merchant Services Advisory Board (sometime between 1990 and 1993). Pursuant to the Letter



Agreements, searches for information and documents were limited to "decision-maker types" in the Customer Direct Access Division (formerly "Card Products Division"). Therefore, this individual was not consulted in connection with the preparation of First Union's response to the CID.

(o) Dick McMahan, 1525 West W.T. Harris Boulevard, Charlotte, NC 28262-8501, Phone N/A, First Union Corporation, Senior Vice President, February 4, 1965 to June 29, 1996. This former employee might have served on a Visa or MasterCard committee while he was employed by First Union. Pursuant to the Letter Agreements, searches for information and documents were limited to "decision-maker types" in the Customer Direct Access Division (formerly "Card Products Division"). Therefore, this individual was not consulted in connection with the preparation of First Union's response to the CID.

(p) Everette Morris, 1525 West W.T. Harris Boulevard, Charlotte, NC 28262-8501, Phone N/A, First Union Corporation, title and dates of employment unavailable as of the date of this Response. This former employee might have served on a Visa or MasterCard committee while he was employed by First Union. Pursuant to the Letter Agreements, searches for information and documents were limited to "decision-maker types" in the Customer Direct Access Division (formerly "Card Products Division").

Therefore, this individual was not consulted in connection with the preparation of First Union's response to the CID.

(q) Parkes Dibble, Charlotte Plaza, S. College Street, Charlotte, NC 28288, Phone N/A, First Union Corporation, Consumer Credit Portfolio Manager, October 18, 1987 to June 23, 1996. This former employee might have served on a Visa or MasterCard committee while he was employed by First Union. Pursuant to the Letter Agreements, searches for information and documents were limited to "decision-maker types" in the Customer Direct Access Division (formerly "Card Products Division"). Therefore, this individual was not consulted in connection with the preparation of First Union's response to the CID.

2. Identify all consultants hired by your organization for a purpose related to issuing cards and/or competition among card issuers and networks at any time between January 1, 1990, and the present. The term "consultant" refers to companies such as Andersen Consulting, Bain & Company, and McKinsey & Company. In addition to the information required pursuant to the definition of identify set forth in the CID, please provide the subject of the consultant's work, the length of the consultant's contract, the person(s) in your company that communicated with each consultant, and whether all documents related to each consultant's work that are in your possession, custody, or control were produced in response to the CID.

Answer: First Union objects to this Interrogatory on the grounds that it is vague, overbroad, unduly burdensome, and not reasonably calculated to lead to information that is relevant to this investigation. Subject to, and without waiving, this

objection or the general objections incorporated herein, see documents produced on October 18, 1996 in response to Document Request No. 3 (Bates label nos. 00011 to 00045). The First Union employee who communicated with this consultant was Bill Farris (for address, telephone number, title, and dates of employment see response to Supplemental Interrogatory No. 1 above). All documents related to this consultation in the possession, custody, or control of First Union have been produced in response to the CID.

THIRD SUPPLEMENTAL RESPONSES TO CIVIL  
INVESTIGATIVE DEMAND NO. 15382

INTERROGATORIES

14. Identify each natural person responsible for preparing your response to this Schedule, and each instruction prepared by or on behalf of your company relating to the steps taken to respond to this Schedule. Where oral instructions were given, provide a verified statement from the person who gave such instructions, detailing the content of the instructions and identifying the persons to whom the instructions were given. For each paragraph of this Schedule, identify each person who participated or assisted in the preparation of the response and list each office and person (identified by name and corporate title or job description) whose files were searched in responding to that item.


Answer: Subject to, and without waiving, the general objections incorporated herein, see persons identified in response to Supplemental Interrogatory No. 1 above.

Subject to, and without waiving, the general objections incorporated herein, First Union provides the attached directive distributed to First Union personnel and responses to that directive collected by First Union's legal department.

Respectfully submitted,

FIRST UNION CORPORATION  
By Counsel

STEPTOE & JOHNSON, L.L.P.

By:   
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Steven K. Davidson  
Gordon M. Clay  
1330 Connecticut, Ave., N.W.  
Washington, D.C. 20036  
(202) 429-8077

Counsel for First Union  
Corporation

Dated: January 10, 1997