

**COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION  
DIVISION OF INSURANCE**

**SUFFOLK, ss.**

**DOCKET NO. F2006-01**

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**IN THE MATTER OF THE ACQUISITION OF CONTROL OF  
COFACE NORTH AMERICA INSURANCE COMPANY BY  
CAISSE NATIONALE DES CAISSES D'EPARGNE ET DE PRÉVOYANCE**

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**DECISION AND ORDER**

**I. Introduction**

Pursuant to section 206B of Chapter 175 of the Massachusetts General Laws ("§ 206B") and 211 CMR 7.00, on or about September 20, 2006, Caisse Nationale des Caisses d'Epargne et de Prévoyance ("CNCE" or the "Applicant"), a French corporation, submitted an initial Form A statement with accompanying exhibits to the Massachusetts Division of Insurance ("the Division"), seeking approval of its plan to acquire control of Coface North America Insurance Company ("Coface"). The principal business activities of CNCE and its subsidiaries include asset management; investment banking; capital market transactions; banking; custody, administration and corporate trust services; securities services and management; financial guaranty and other insurance; consumer credit; factoring; and lease financing activities. Sixty-five percent of the capital stock of CNCE is owned by 30 individual French regional mutual savings banks organized in a network known as the Group Caisses d'Epargne. None of the Caisses d'Epargne individually owns more than 10% of CNCE. The remaining 35% of the capital stock of CNCE is owned by Caisse des Dépôts et Consignations ("CDC"). CDC has

entered into a binding memorandum of understanding to dispose of all of its shares of CNCE. The divestiture of CDC's ownership interest in CNCE is expected to occur by June 30, 1997.

Banque Fédérale des Banques Populaires ("BFBP") is the current ultimate parent of Coface through its 75% ownership of Natexis Banques Populaire ("Natexis"). Coface is a wholly owned indirect subsidiary of Natexis. As a result of the proposed business transaction, CNCE is to contribute to Natexis certain of its businesses, having a valuation of approximately € 9.2 billion euros (\$11.7 billion at the current conversion rate), and will receive as consideration shares of Natexis stock. Natexis will thereafter be renamed "Natixis." As a result of the proposed business transaction, CNCE will acquire a 34% ownership interest in Natixis, and will indirectly control Coface. Also as a result of the business transaction, BFBP's ownership interest in Natixis will be reduced to 34%. In addition, 25% of the remaining equity will be subsequently sold in a public offering, with the remaining 7% held by institutional shareholders. According to the information provided in Form A, it is currently anticipated that, with the exception of CNCE and BFBP, there will be no shareholder or group of shareholders acting in concert who will own or hold the power to vote 10% or more of the voting securities of Natixis.

Further, pursuant to a Shareholders Agreement between BFBP and CNCE to be entered into at the closing of the business transaction, each of CNCE and BFBP will have a right to designate an equal number of members of the Supervisory Boards or Boards of Directors of certain principal subsidiaries of Natixis, including Coface, S.A., the indirect parent of Coface.

As of December 31, 2005, CNCE had total consolidated assets of €437.6 billion (\$517.7 billion, using the exchange rate in effect on December 31, 2005 of 1.183 Euros to 1.0 U.S. dollars). During calendar year 2005, CNCE had consolidated net income of €1.1 billion (\$1.4 billion, using the average exchange rate in effect during 2005 of 1.244 Euros to 1.0 U.S. dollar). CNCE's consolidated net income through the first six months of this year was €57 million (\$931

million, using the average exchange rate in effect during the first six months of 2006 of 1.230 Euros to 1.0 U.S. dollar). CNCE has long term debt ratings of AA from Standard & Poor's (confirmed on May 26, 2006) Aa2 from Moody's and AA from Fitch.

According to information provided by CNCE on Form A, the primary objective of the business transaction is to enhance CNCE's competitiveness in combination with Natixis as a combined participant in the areas of global banking and other financial services. This objective is unrelated to the business or operations of Coface. The business transaction is not expected to affect the business, operations or management of Coface.

## **II. Procedural History and Facts**

On September 20, 2006, the Applicant submitted its initial Form A, "Statement Regarding Acquisition Of Control Or Merger With A Domestic Insurer, Coface North America Insurance Company," with accompanying exhibits to the Division. In the ensuing time period, CNCE submitted documentation to supplement its initial submission. On October 24, 2006, the Financial Surveillance and Legal units of the Division (the "Working Group") deemed CNCE's Form A statement complete. On October 26, 2006, the Commissioner issued a Notice of Hearing ("Notice") regarding the proposed transaction. The Notice was published in The Boston Globe on October 31, 2006, in The Wall Street Journal on October 31, 2006, in Business Insurance on November 6, 2006 and on *BusinessInsurance.com* on October 30, 2006. The Notice scheduled a public hearing at the Division on November 7, 2006, and notified the public that information about the proposed transaction was available for inspection at the Division. The Notice offered an opportunity for any person whose statutory interests may be affected by the Form A proceeding, or to whom the Notice was sent, to submit to the Division a written Notice of Intent to Participate at the hearing by November 3, 2006. The Notice also fixed the close of any discovery proceedings no later than three days prior to the commencement of the hearing. No

person or entity filed a Notice of Intent to Participate, or sought discovery in the proposed transaction.

The Commissioner appointed Elisabeth Ditomassi, Esq., Deputy Commissioner and General Counsel of the Division, and Julie D. McAlarney, Esq., Counsel to the Commissioner, to serve as Presiding Officers at the public hearing on the proposed transaction and to render a decision on her behalf. Neither the Commissioner nor the Presiding Officers participated in the review or analysis of the proposed transaction prior to the hearing.

On November 7, 2006, the public hearing went forward before the Presiding Officers. Also present at the hearing were Peter S. Rice, Esquire, of LeBoeuf, Lamb, Greene & MacRae, LLP, counsel for the Applicant, CNCE, Barbara Peterson, Esq. and Elizabeth Brodeur, Esq., for the Division of Insurance, and Mr. Donald Johnson, Manager of Financial Analysis at the Division. At the hearing, the Presiding Officers made inquiries both at the beginning and at the end of the public hearing as to whether any other interested persons were present or wished to participate. In response to the Presiding Officers' inquiries, Friedrich von Krusenstiern, Esq., General Counsel for Coface, indicated that two individuals wished to make comments on behalf of Coface and Natexis. No other persons expressed an interest in participating in the proceedings.

The following individuals presented testimony at the hearing: Djamel Seoudi, Directeur Juridique Adjoint (Deputy General Counsel – Legal Affairs) at CNCE; Christophe Eglizeau, Deputy Director of Strategy and Financial planning for the Investment Bank Division of CNCE; Eric Ward, Vice President, Counsel of IXIS Asset Management Group, representing Jeffrey Plunkett, Executive Vice President and General Counsel of IXIS Asset Management Group; Jean-Louis Galliot, U.S. Country Manager of Natexis Banques Populaires in the United States and General Manager of Natexis Banques Populaires, New York Branch; Kenneth Moyle, Senior

Vice President of Underwriting at Coface; and Donald Johnson, Manager of Financial Analysis at the Massachusetts Division of Insurance. In addition, there were several submissions made by both Mr. Rice and Mr. von Krusenstiern, which are reflected in the docket and all of which have been duly considered in rendering this decision.

At the hearing, Mr. Seoudi of CNCE provided testimony that CNCE is one of the largest retail banks in France. CNCE also engages in commercial banking and investment banking, including asset management and various investor services. Its subsidiary, CIFG, transacts financial guaranty insurance on a global basis. CIFG's subsidiary, CIFG North America, Inc, is licensed in Massachusetts. One of CNCE's subsidiaries, IXIS Asset Management Group, is the 25<sup>th</sup> largest asset manager in the world. Its U.S. holding company is headquartered in Boston. IXIS Asset Management has over 800 employees in Massachusetts.

Mr. Seoudi testified that under the proposed transaction, CNCE would acquire control of Coface as a result of a combination of certain subsidiaries and businesses of CNCE and BFBP. BFBP is the current ultimate parent of Coface, possessing a 75% ownership interest in Natexis Banques Populaires. Coface is a wholly owned indirect subsidiary of Natexis. In accordance with the proposed business transaction, CNCE will contribute to Natexis certain of its businesses, having a valuation of approximately €9.2 billion (\$11.7 billion at current conversion rates) and will receive from Natexis, as consideration for this contribution, Natexis shares. Natexis would thereafter be renamed "Natixis." As a result of the business transaction, CNCE will become a 34% direct owner of Natixis, and, therefore, will indirectly control Coface. The proposed business transaction will also result in BFBP's current approximately 75% ownership of Natixis and, in turn, Coface, being reduced to 34%. Approximately 25% of the equity in Natixis is to be subsequently sold in a public offering, with the remaining 7% held by institutional shareholders.

Further, Mr. Seoudi stated that in addition to the acquisition of a 34% interest in Natixis, under a Shareholders Agreement between BFBP and CNCE to be entered into at the closing of the business transaction, each of CNCE and BFBP will have a right to designate an equal number of members of the Supervisory Boards or Boards of Directors of certain principal subsidiaries of Natixis, including Coface, S.A., which is an indirect parent of Coface.

With respect to CNCE's financial condition, Mr. Seoudi testified that as of December 31, 2005, CNCE had total consolidated assets of €437.6 billion (\$517.7 billion, using the exchange rate in effect on December 31, 2005 of 1.183 Euros to 1.0 U.S. dollar). During calendar year 2005, CNCE had consolidated net income of €1.1 billion (\$1.4 billion, using the average exchange rate in effect during 2005 of 1.244 Euros to 1.0 U.S. dollar). CNCE's consolidated net income through the first six months of this year was €757 million (\$931 million, using the average exchange rate in effect during the first six months of 2006 of 1.230 Euros to 1.0 U.S. dollar). CNCE has long term debt ratings of AA from Standard & Poor's (confirmed on May 26, 2006), Aa2 from Moody's and AA from Fitch.

In addition, Mr. Seoudi testified that CNCE does not intend to change the business plans for Coface at this time. He explained that the business transaction was designed to integrate complementary banking and other financial services business of BFBP and CNCE in order to provide a financially strong enterprise with the scale and expertise necessary to compete effectively in European and global banking markets. Natixis' franchise, enhanced by access to two of the largest retail banking networks in France, is projected to provide a very promising outlook for growth of the combined businesses.

Mr. Seoudi further testified that the primary motivation for the business transaction is unrelated to Coface's business, which will represent less than ½ of 1% of Natixis' net assets after

consummation of the business transaction. The business transaction is not expected to affect the business policies or financial condition of Coface, nor are any of the directors or officers of Coface expected to change as a result thereof. Following the closing of the proposed business transaction, backed by the support of its two powerful shareholders, BFBP and CNCE, Natixis will have a market capitalization significantly in excess of €20.0 billion (\$25.4 billion, based on current exchange rates).

In addition, Mr. Seoudi testified about regulatory approvals required by other governmental entities, including, in particular, approvals granted by the *Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes* (French Anti-Trust authority) on August 10, 2006; the *Autorité des Marchés Financiers* (French Market authority) on July 13, 2006; and the *Comité des Établissements de Crédit et des Entreprises d'Investissement* (French Banking authority) on October 11, 2006. In addition, the proposed transaction was also reviewed and approved by the French Insurance regulatory agency, the *Comité des Entreprises d'Assurances* on October 20, 2006. Further, Mr. Seoudi stated that regulatory approvals in the United States are expected from the Federal Reserve Board and the New York Insurance Department by the middle of November. Mr. Seoudi also provided testimony relevant to the statutory requirements under M.G.L. c. 175, § 206B, discussed more fully in part III, below.

Mr. Christophe Eglizeau, Deputy Director of Strategy and Financial Planning for the Investment Bank Division of CNCE, provided testimony that he was in charge of the strategic positioning of CNCE affiliates that CNCE plans to contribute to Natexis, as well as responsible for the due diligence process and foreign regulatory issues. Mr. Eglizeau confirmed Mr. Seoudi's testimony that the strategic objective of this business transaction is related to CNCE's

banking activities in France, and that CNCE had no current intention to materially change the management or business practice of Coface.

Mr. Eric Ward, Vice President, Counsel at IXIS Asset Management Group, representing Mr. Jeffrey Plunkett, Executive Vice President and General Counsel of IXIS Asset Management Group (“IXIS”), also provided testimony. Mr. Ward testified that IXIS is a United States holding company that employs more than 800 people in Massachusetts. He testified that CNCE has been a strong parent of IXIS, and has permitted IXIS to determine its own business strategy and management and has generally not attempted to influence its business plans. Mr. Ward expressed his opinion that based upon the experience of IXIS as a subsidiary of CNCE, that CNCE would be expected to be a responsible parent of Coface.

In addition, Mr. von Krustenstiern, General Counsel of Coface, introduced Mr. Jean-Louis Galliot, U.S. Country Manager of Natexis Banques Populaires in the United States and General Manager of Natexis Banques Populaires, New York Branch. Mr. Galliot testified that the proposed business transaction involves the contribution of certain subsidiaries of CNCE to Natexis, resulting in both BFBP and CNCE owning significant stakes in an expanded Natexis, to be called Natixis. Following the transaction, Natixis will operate in the following areas: Corporate and Investment Banking, Asset Management, Services, Private Equity and Private Banking, Receivables Management, and Retail Banking. Mr. Galliot testified that Natixis will be a major player in financing and investment banking, as well as in the private equity market for small and medium-sized businesses. The proposed transaction will build on Natexis’ status as a highly reputed asset manager and leader in the French employee savings market and, through Coface SA, it will be a leader in the global market for credit insurance, credit management, business information and debt collection. Mr. Galliot further stated that the Natixis transaction is being entered to better compete in global markets across a wide variety of financial activities.



Further, Mr. Galliot testified that while the proposed transaction will result in a change in control of Coface, this is not a goal of the transaction. Coface is a valued but small component of the overall operations of Natexis, and will be an even smaller component of the global operations of Natexis. He further testified that there are no plans to have Coface declare an extraordinary dividend, to liquidate Coface, to sell its assets, to merge it with any other entity or to make any other change in its business or operations.

Testimony was then presented by Kenneth Moyle, Senior Vice President of Underwriting at Coface. Mr. Moyle expressed his opinion on behalf of Coface that the Form A submissions and the testimony provided at the hearing demonstrate that the proposed acquisition by CNCE will not have a material impact on the management or the business operations of Coface.

Finally, Mr. Donald Johnson testified that the Working Group from the Division reviewed the Form A Statement regarding the acquisition of control of or merger with Coface by CNCE. Mr. Johnson testified that the Working Group examined the Form A filing, together with all appendices thereto, as well as English translations of approval letters from the three French government authorities required to approve the transaction, including the approval letter dated August 9, 2006<sup>1</sup> from the French Antitrust Authority, the July 13, 2006 approval letter from the French Market Authority and the October 11, 2006 approval letter from the French banking authority. In addition, he testified that the Working Group reviewed tables illustrating currency conversions of balance sheets and income statements of CNCE contained in the Form A statement, as well as CNCE's balance sheet and income statement as of June 30, 2006.

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<sup>1</sup> It appears that Mr. Johnson erroneously referred to the approval from the French Antitrust Authority as having occurred on August 9, 2006. Mr. Seoudi testified that the French Anti-Trust Authority granted its approval on August 10, 2006. The letter contained in the docket from the French Anti-Trust Authority is in fact dated August 10, 2006.

In reviewing the Form A statement, the Working Group examined the proposed transaction in light of the legal standards enumerated in M.G.L. c. 175, § 206B, which are discussed in detail below. Following an extensive evaluation of the proposed transaction and all supporting documentation, the Working Group opined that no issues existed that would lead to an adverse determination under any of the statutory legal standards.

### **III. Analysis of the Proposed Transaction**

Pursuant to Massachusetts General Laws, chapter 175, section 206B (d)(1), the Commissioner of Insurance ("Commissioner") must approve the proposed transaction if the requirements of the statute are satisfied. The statute requires the Commissioner to hold a public hearing on the proposed transaction, at which "the person filing the statement, the insurer, any person to whom notice of hearing was sent, and any other person whose interest may be affected thereby shall have the right to present evidence, examine and cross-examine witnesses, offer oral and written arguments in connection therewith, and . . . conduct discovery proceedings. . . " M.G.L. c. 175, § 206B(d)(2). Under the terms of the statute, all discovery proceedings shall be concluded not later than three days prior to the commencement of the public hearing. M.G.L. c. 175, § 206B(d)(2).

The Commissioner shall approve the proposed transaction unless she finds that such approval would result in any of the conditions set forth in subsections (i) through (vii) of M.G.L. c. 175, § 206B(d)(1). These conditions are as follows:

- (i) after the change of control, the domestic insurer . . . would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

Section 206B(d)(1)(i) requires the domestic insurer, following the business transaction, to be able to satisfy the same licensing requirements as required for the writing of the lines of insurance currently written by the insurer. Mr. Seoudi testified that he expected that the

proposed acquisition would not in any manner adversely impact Coface's ability to satisfy the requirements for the issuance of a license to write the lines of business for which it is presently licensed. Mr. Seoudi further stated that CNCE has no current plans to change Coface's business, its financial condition, or its officers and directors. Mr. Moyle corroborated this testimony by stating that the proposed acquisition will not have a material impact on the management or business operations of Coface. For these reasons, we find that subsection (i) of § 206B(d)(1) does not present an obstacle to approval of the proposed transaction.

- (ii) the effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this commonwealth or tend to create a monopoly therein;

Section 206B(d)(1)(ii) requires that the proposed transaction not have the effect of lessening competition or creating a monopoly in the Massachusetts insurance market.

Mr. Seoudi testified that CNCE does not control any other insurance company that competes with Coface and that CNCE does not intend to change the business operations of Coface. Mr. Galliot testified that Coface is a small component of Natexis' overall operations and will be an even smaller proportion of Natexis' global operations. Accordingly, we find that the proposed acquisition will not substantially lessen competition or tend to create a monopoly in the insurance market in the Commonwealth of Massachusetts.

- (iii) the financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders;

Subsection (iii) of § 206B(d)(1) requires that the acquiring company be in sufficiently sound financial condition such that the acquisition does not jeopardize the financial stability of the domestic insurers or prejudice the interests of policyholders. Mr. Seoudi provided testimony that as of December 31, 2005, CNCE had total consolidated assets of €437.6 billion (\$517.7 billion, using the exchange rate in effect on December 31, 2005 of 1.183 Euros to 1.0 U.S.

dollar). During calendar year 2005, CNCE had consolidated net income of €1.1 billion (\$1.4 billion, using the average exchange rate in effect during 2005 of 1.244 Euros to 1.0 U.S. dollar). CNCE's consolidated net income through the first six months of this year was €757 million (\$931 million, using the average exchange rate in effect during the first six months of 2006 of 1.230 Euros to 1.0 U.S. dollar). CNCE has long term debt ratings of AA from Standard & Poor's (confirmed on May 26, 2006), Aa2 from Moody's and AA from Fitch.

In addition, Mr. Ward offered his views regarding the fitness of CNCE to control Coface. Mr. Ward testified that CNCE has been a strong parent of his company, IXIS, and has permitted IXIS to determine its own business strategy and management and has generally not attempted to influence its business plans. Mr. Ward further expressed his opinion that based upon IXIS' experience in dealing with CNCE, that he expected that CNCE would be a responsible parent of Coface. For these reasons, we conclude that subsection (iii) of § 206B(d)(1) does not present an obstacle to approval of the proposed transaction.

- (iv) the terms of the offer, request, invitation, agreement of acquisition referred to in said subsection (a) are unfair and unreasonable to the policyholders of the insurer;

Subsection (iv) of § 206B(d)(1) requires that the terms of the offer or agreement of acquisition not be unfair or unreasonable to policyholders of the domestic insurers. According to Mr. Seoudi, the terms of the proposed business combination were negotiated at arm's length and, in any case, as previously explained, the proposed business combination affects Coface and its policyholders only incidentally. Mr. Eglizeau testified, in response to a question by the Hearing Officers, that CNCE has no intention to change the insurance products currently available to Coface policyholders, and no plan to alter the premiums charged. For these reasons, we find that the proposed terms of the acquisition by CNCE are not unfair or unreasonable to policyholders,

and that subsection (iv) of § 206B(d)(1) does not present an obstacle to approval of the proposed transaction.

- (v) the plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer and not in the public interest;

Subsection (v) of § 206B(d)(1) requires that the acquiring party not be contemplating any material changes in its business that would be unfair and unreasonable to policyholders, or otherwise would not be in the public interest. A joint letter, dated November 6, 2006, signed by Mr. Charles Milhaud, Chairman of the Executive Board of CNCE and Mr. Philippe Dupont, Chairman of the Board of Directors of BFBP, states that the strategic objective of the acquisition is related to CNCE's and BFBP's banking activities, and that CNCE has no present intention to materially change the management or business practices of Coface. In addition, Mr. Seoudi's testimony confirmed that CNCE has no plans or proposals to make any such major change in Coface's business or corporate structure. He also reiterated that CNCE has no plans with regard to Coface's business or its management. Mr. Eglizeau testified that CNCE had no current intention of influencing the management of Coface, and no intention of altering the insurance products offered by Coface or the premiums charged. For these reasons, we find that subsection (v) of § 206B(d)(1) does not present an obstacle to approval of the proposed transaction.

- (vi) the competence, experience and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control;

Subsection (vi) requires that the competence, experience and integrity of those who will control the operations of the domestic insurers subsequent to the merger be of a sufficient level

so as not to be prejudicial or contrary to the interests of the policyholders and the insuring public. Mr. Seoudi stated at the hearing that CNCE's management team is highly experienced in financial services businesses, with a strong track record of successful transactions in financing, investment banking, securities brokerage and financial guarantee insurance. CNCE controls Boston-based IXIS Asset Management and that company has been responsibly managed, consistent with the public interest, while under CNCE's control. Mr. Seoudi again testified that there are no present plans for CNCE to exert any material influence on the management of Coface. In addition, Mr. Moyle testified on behalf of Coface that the Form A submissions and the testimony provided at the hearing demonstrate that the proposed acquisition by CNCE will not have a material impact on the management or the business operations of Coface. We therefore find that subsection (vi) of § 206B( d)(1) does not present an obstacle to approval of the proposed transaction.

- (vii) the acquisition is likely to be hazardous or prejudicial to the insurance buying public.

Subsection (vii) of § 206B(d)(1) requires that the acquisition not be hazardous or prejudicial to the insurance buying public. Mr. Seoudi's testimony indicated that Natixis, the company to be formed as a result of the acquisition, will be very well capitalized, stating that its market capitalization, for example, will be greater than €20 billion (\$25.4 billion). Based on that reason and reasons set forth in his prior testimony, he expressed his opinion that the proposed transaction will not be prejudicial to the insurance buying public. We take note of Mr. Seoudi's prior testimony, indicating that the primary motivations for the business transaction are unrelated to Coface's business, which will represent less than ½ of 1% of Natixis' net assets after consummation of the business transaction. The business transaction is not expected to affect the

business policies or financial condition of Coface, nor are any of the directors or officers of Coface expected to change as a result thereof.

Further, Mr. Galliot provided testimony that while the proposed transaction will result in a change in control of Coface, this is not a goal of the transaction. Coface is a valued, but small, component of the overall operations of Natexis, and will be an even smaller component of the global operations of Natexis. He further testified that there are no plans to have Coface declare an extraordinary dividend, to liquidate Coface, to sell its assets, to merge it with any other entity or to make any other change in its business or operations.

The Hearing Officers raised questions about the status of decisions by other state and federal regulatory bodies that must approve the proposed transaction. Mr. Seoudi testified that all of the approvals necessary in France have been obtained. In addition, Mr. von Krusenstiern, counsel for Coface, stated that an application was submitted to the New York State Insurance Department, and Coface expected an approval from that entity prior to November 17<sup>th</sup>. Further, Mr. Rice indicated that he had been advised by counsel representing CNCE with respect to the filings with the Federal Reserve Board that a pre-clearance approval in order for CNCE to be a financial holding company is expected within a matter of days. In addition, Mr. Galliot informed the Hearing Officers that a Hart-Scott-Rodino filing to the Federal Trade Commission had been approved.

Accordingly, we find that subsection (vii) of § 206B(d)(1) does not present an obstacle to approval of the proposed transaction.

In addition, we take note that § 206B(b) requires the Applicant to provide twelve items of information in filing its Form A statement. Based upon our review of the documents in the record before us, we find that the Applicant has satisfied the requirements of that section of the statute. In reaching our ultimate decision in this matter, we would further note that the Working

Group from the Division examined the proposed acquisition, and expressed its opinion that no issues existed that would lead to an adverse determination under any of the statutory legal standards.

**IV. Conclusion**

For all of the foregoing reasons and based upon an examination of all of the evidence presented in this matter, we find and conclude that the Proposed Acquisition Of Control of Coface North America Insurance Company by Caisse Nationale des Caisses d'Epargne et de Prévoyance satisfies the requirements of M.G.L. c. 175, § 206B and is not prejudicial to policyholders or to the insuring public. Accordingly, the proposed transaction is hereby APPROVED.

**SO ORDERED.**

DATE: November 15, 2006

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Elisabeth A. Ditomassi, Hearing Officer

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Julie D. McAlarney, Hearing Officer