



BOARD OF GOVERNORS  
OF THE  
**FEDERAL RESERVE SYSTEM**  
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

April 28, 1998

Mr. Stanley S. Stroup, Esq.  
Executive Vice President  
and General Counsel  
Norwest Corporation  
Norwest Center  
Sixth and Marquette  
Minneapolis, Minnesota 5549-1026

Dear Mr. Stroup:

This is in response to your letter dated February 25, 1998, requesting that the Board permit the Foothill Group, Inc., Los Angeles, California ("Foothill"), a wholly owned subsidiary of Norwest Corporation, Minneapolis, Minnesota ("Norwest"), to act as general partner for certain leveraged investment limited partnerships ("Proposed Partnerships").

By an order dated October 17, 1995, the Board approved Norwest's notice to acquire Foothill and thereby to engage in asset-based lending and management of assets.<sup>1/</sup> In particular, the Board approved the notice by Norwest to engage through Foothill in the management of assets as the corporate general partner of investment limited partnerships ("Existing Partnerships"). In connection with its notice, Norwest stated that Existing Partnerships would not be leveraged. In addition, Norwest committed that, unless it first notified the Federal Reserve Bank of Minneapolis, any partnerships subsequently formed by Foothill would be structured in a manner similar to Existing Partnerships.<sup>2/</sup>

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<sup>1/</sup> Norwest Corporation, 81 Federal Reserve Bulletin 1128 (1995) ("Norwest Order").

<sup>2/</sup> See id. at 1128 n.7.

Norwest now seeks permission for Foothill to act as general partner for Proposed Partnerships that will borrow funds and incur other indebtedness in carrying out their investment activities. Norwest has stated that, with the exception of the proposed indebtedness, Proposed Partnerships will be structured in the same manner as Existing Partnerships. In addition, Norwest has committed that it will include any leverage by the Proposed Partnerships when calculating Norwest's capital adequacy.

Based on all the facts of record, including the commitments made by Norwest at the time of its proposal to acquire Foothill and the commitments and representations in your letter of February 25, 1998, the Director of Banking Supervision and Regulation, acting pursuant to authority delegated under section 265.7(a)(2) of the Board's Rules Regarding Delegation of Authority (12 C.F.R. § 265.7(a)(2)), has approved Norwest's request. This approval does not grant Norwest, Foothill, or Proposed Partnerships relief from any other conditions or commitments to which they may be subject.

Very truly yours,



Jennifer J. Johnson  
Deputy Secretary of the Board

cc: Federal Reserve Bank of Minneapolis