

STATE OF COLORADO

**Division of Securities
Department of Regulatory Agencies**

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Fred J. Joseph
Securities Commissioner



Bill Ritter, Jr.
Governor

D. Rico Munn
Executive Director

July 11, 2007

VIA FACSIMILE (212) 848-7179 and REGULAR MAIL

Charles S. Gittleman, Esq.
Shearman & Sterling LLP
599 Lexington Avenue
New York, New York 10022-6069

**Re: Acquisition of ABN AMRO NV
Our File No. A-008-001**

Dear Mr. Gittleman:

We are in receipt of your letter dated June 29, 2007, with enclosures, in connection with the above referenced matter. On behalf of the "Consortium," as defined in your correspondence, you have requested the position of the staff of the Colorado Division of Securities ("Staff") whether certain Contingent Payment Rights to be granted in connection with the acquisition of ABN AMRO Holding N.V. and the subsequent merger of ABN AMRO into members of the Consortium are "securities" as that term is defined under the Colorado Securities Act ("Act"). You request that if the Staff is unable to determine that the Contingent Payment Rights are not securities, whether they do not require registration because the transaction falls into the meaning of § 11-51-308(1)(o) and/or § 11-51-201(13)(g)(II) of the Act. Alternatively, the Consortium requests the Staff issue a no-action position relative to these issues.

Based on the facts in your letter, we understand that the Consortium has proposed to acquire all the of the outstanding shares of ABN AMRO (the "Proposed Offer"). The Proposed Offer will be conducted in the United Sates as a registered exchange offer of NYSE-listed securities and an amount of cash and Contingent Payment Rights. The

shares received under the exchange would be “covered securities” for purposes of Section 18 of the Securities Act. The Contingent Payment Rights will be rights to receive cash payments through a special purpose vehicle on a pro rata basis out of the “Deposited Funds,” pending resolution of certain litigation. The Contingent Payment Rights will be governed by a claims reimbursement agreement. As part of the current transaction structure, the contingent consideration portion of the transaction constitutes less than three percent of the entire transaction.

The Staff cannot confirm that the Contingent Payment Rights do not involve an offer or sale of a “security” under the Act. In addition, the Staff cannot confirm the availability of an exemption from registration or qualification under § 11-51-308(1)(o) or § 11-51-201(13)(g)(II) of the Act. But in light of the facts represented, the Staff will not recommend that formal enforcement proceeding be initiated against the Consortium, or its respective officers, directors, or employees for violation of the registration provisions of the Act relative to the Proposed Offer.

It should be noted that by this letter, the Staff only expresses its position as to the recommendation of formal enforcement proceedings under the Act and does not purport to express any formal opinion or conclusion. Also, it should be noted that the position taken is done so based on the facts and representations in your letter and the attached documents. Any change in those facts or circumstances described might require a different response.

If there are any questions, please contact the undersigned.

Sincerely,



Gerald Rome

Deputy Securities Commissioner

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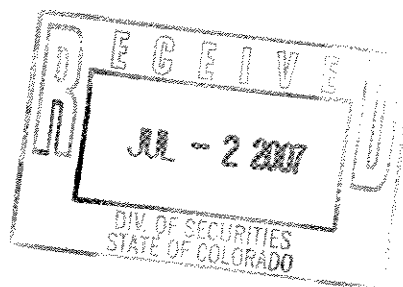
(212) 848-4000

June 29, 2007

CONFIDENTIAL TREATMENT REQUESTED

VIA FEDERAL EXPRESS

Mr. Fred J. Joseph
Securities Commissioner
Division of Securities
1560 Broadway Street, Suite 900
Denver, CO 80202



Dear Mr. Joseph:

**Notice of Merger Transaction and request for interpretive position:
Acquisition of ABN AMRO NV
Action requested by July 9, 2007**

We are writing on behalf of The Royal Bank of Scotland Group plc ("RBS"), Banco Santander Central Hispano, S.A. ("Santander"), and Fortis SA/NV and Fortis N.V. (together "Fortis," and together with Santander and RBS, the "Consortium") with respect to the prospective acquisition of ABN AMRO Holding N.V. ("ABN AMRO") and subsequent merger of ABN AMRO into the members of the Consortium.

I. INTRODUCTION: THE CONSORTIUM SEEKS CONCURRENCE THAT CERTAIN CONTINGENT PAYMENT RIGHTS TO BE GRANTED IN CONNECTION WITH THE TRANSACTION DO NOT REQUIRE REGISTRATION OR QUALIFICATION AS A SECURITY

We are writing to inform you of the transaction, and specifically to provide information regarding the contingent payment rights (the "Contingent Payment Rights") that will be granted to each shareholder of ABN AMRO in connection with the exchange offer described herein.

For the reasons set forth herein, the Consortium takes the view that the Contingent Payment Rights do not require registration or qualification as a security. The Consortium has requested that the Staff of the Securities and Exchange Commission (the "SEC") confirm that it will not

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take any enforcement action if the Contingent Payment Rights are granted to shareholders of ABN AMRO in the exchange offer without registering such grant under Section 5 of the Securities Act of 1933, as amended (the "Securities Act"), based on our view that that the Contingent Payment Rights are not "securities" as defined in Section 2(1) of the Securities Act. The transaction will not move forward in its current form if the SEC does not grant such no-action relief.

In the alternative, should you be unable to concur with this view, then we request your concurrence that the grant of the Contingent Payment Rights qualifies for the exemption or exclusion from registration found in Colorado's securities law for securities offered and sold in connection with a merger transaction.

The remainder of this letter (a) describes the Proposed Offer (as defined below) and the Contingent Payment Rights, and (b) sets forth the grounds for the Consortium's view that no registration or qualification of the Contingent Payment Rights is required.

II. THE CONSORTIUM WILL MAKE A PUBLIC OFFER FOR ABN AMRO WHICH WILL INVOLVE THE EXCHANGE OF NYSE-LISTED SECURITIES AND AN AMOUNT OF CONTINGENT PAYMENT RIGHTS

On May 29, 2007, the Consortium announced a proposal to acquire all of the outstanding ordinary shares and American Depositary Shares representing ordinary shares of ABN AMRO (the "Proposed Offer"). The Proposed Offer will be made by a newly established special purpose vehicle jointly owned by the Consortium members ("BidCo"). A copy of the Press Release describing the Proposed Offer (the "Press Release") is attached hereto as **Exhibit A**. Please note that the terms are those found in the Press Release, but are subject to revision when the Proposed Offer is made.

2.1 The Proposed Offer will be conducted in the United States as a registered exchange offer of NYSE-listed securities and an amount of cash and contingent payment rights

The Proposed Offer¹ will be conducted in the U.S. as a registered exchange offer that will be registered with the Securities and Exchange Commission ("SEC") on Form F-4. In the Proposed Offer, ABN AMRO shareholders would have the right to exchange each of their ordinary shares, nominal value of €0.56 per share, of ABN AMRO ("ABN AMRO Ordinary Shares") and American Depositary Shares ("ADSs"), each representing one ABN AMRO Ordinary Share, of

¹ As of the date hereof, the Consortium has not entered into any agreement with ABN AMRO with respect to the Proposed Offer. The statements contained in this letter with respect to ABN AMRO are based on publicly available filings in the United States and the Netherlands.

ABN AMRO ("ABN AMRO ADSs" and, together with the ABN AMRO Ordinary Shares, "ABN AMRO Shares") for €29.40 in cash, without interest, 0.844 newly issued ordinary shares, nominal value of £0.25 per share, of RBS ("RBS Ordinary Shares") and a Contingent Payment Right. Prior to the completion of the Proposed Offer, RBS intends to establish an American Depositary Receipt facility in the U.S. in which former holders of ABN AMRO Shares who received RBS Ordinary Shares in the Proposed Offer would be able to deposit their RBS Ordinary Shares in exchange for ADSs representing RBS Ordinary Shares ("RBS ADSs"). The RBS ADSs (and RBS Ordinary Shares underlying such RBS ADSs) will be listed on the New York Stock Exchange subject to official notice of issuance, and the RBS ADSs (and RBS Ordinary Shares underlying such RBS ADSs) would as such be "covered securities" for purposes of Section 18 of the Securities Act at or before the completion of the offering. It is expected that Merrill Lynch, Pierce, Fenner & Smith Incorporated will act as Dealer Manager in this transaction.

2.2 Timing of the Proposed Offer

It is expected that Form F-4 will be filed with the SEC on or immediately after July 9, 2007, and commencement of the Proposed Offer is expected to occur promptly thereafter.

III. DESCRIPTION OF THE CONTINGENT PAYMENT RIGHTS

3.1 Introduction: a special purpose vehicle will hold the Payment Rights pending the resolution of certain litigation

The Press Release describes that payment of €1.00 per ABN AMRO Share exchanged in the Proposed Offer (the "Contingent Consideration") will be deferred pending resolution of certain litigation relating to a purchase and sale agreement pursuant to which ABN AMRO Bank N.V., a subsidiary of ABN AMRO, has agreed to sell to Bank of America Corporation ABN AMRO North America Holding Company, including its subsidiary LaSalle Bank Corporation (the "LaSalle Situation"). The aggregate Contingent Consideration will be transferred by BidCo to a newly formed special purpose vehicle (the "SPV"). The aggregate funds so transferred to the SPV, together with any interest thereafter earned thereon, are herein referred to as the "Deposited Funds."

The Contingent Payment Rights will be rights to receive cash payments on a pro rata basis from the SPV out of the Deposited Funds remaining after deduction of certain costs that may be incurred in connection with the resolution of the LaSalle Situation. The Contingent Payment Rights will be governed by a claims reimbursement agreement to be entered into between BidCo and the SPV (the "Claims Reimbursement Agreement"). As a part of the current transaction structure, the Contingent Consideration portion of the transaction constitutes less than three percent of the entire transaction.

3.2 Purpose of the Contingent Consideration and establishment and initial operation of the SPV

The purpose of the Deposited Funds and related arrangements would be to provide funds for certain potential costs, including damages, that may be incurred by ABN AMRO, any member of the Consortium and/or any of their respective affiliates arising as a result of the LaSalle Situation. Pursuant to the terms of the Claims Reimbursement Agreement, the SPV would be obligated to reimburse BidCo solely out of the Deposited Funds for certain costs incurred up to the balance of the Deposited Funds by any member of the Consortium, BidCo, ABN AMRO or any of their respective affiliates. Instead of receiving the Contingent Consideration upon completion of the Proposed Offer, each holder of ABN AMRO Shares exchanged in the Proposed Offer (each a "Beneficiary") would be granted, for each ABN AMRO Share, one Contingent Payment Right.

3.3 Operation of the SPV pending resolution of the LaSalle Situation

The SPV would invest the Deposited Funds in U.S. dollar or euro denominated demand deposits at savings institutions, U.S. money market mutual funds (either U.S. dollar or euro denominated) with the highest long-term or short-term ratings assigned by a nationally recognized statistical rating organization, or securities issued by domestic or foreign federal, state or local governments (or agencies or instrumentalities thereof). Interest earned on the Deposited Funds (net of applicable income tax) would be added to the Deposited Funds. Assuming all of the issued and outstanding ABN AMRO Ordinary Shares and ABN AMRO ADSs are accepted for exchange pursuant to the Proposed Offer, the aggregate amount of funds expected to be transferred to the special purpose vehicle would be approximately €1.9 billion.

The SPV would be required to issue annual reports to the Beneficiaries, including financial statements showing the assets and liabilities of the SPV at the end of each fiscal year and the receipts and disbursements of the SPV for the fiscal year then ended. The annual reports would also describe the changes in the SPV's assets during the reporting period and the actions taken by the SPV during the period. The SPV would also distribute to the Beneficiaries a periodic report if a material event relating to the SPV or the Deposited Funds has occurred.

3.4 The Contingent Payment Rights are not evidence of ownership, and the SPV will conduct no business

Other than the right to receive cash payments, if any, from the SPV out of the Deposited Funds, the Contingent Payment Rights would not represent any interest in or claim against any entity, including the SPV, ABN AMRO or any member of the Consortium. No certificates would be issued to evidence the Contingent Payment Rights, although Beneficiaries would receive a confirmation of their Contingent Payment Rights in the form of a notification for purposes of their recordkeeping and accounting. The Contingent Payment Rights would not be transferable,

except by operation of law or by will. The Contingent Payment Rights would not entitle the Beneficiaries to any voting or dividend rights and would not bear a stated rate of interest.

All of the voting shares of the SPV would be held by a yet to be identified banking institution or trust company organized in the United States or Europe that is unaffiliated with the members of the Consortium and ABN AMRO.

The SPV would not be engaged in any ongoing trade or business. Its activities would be specifically limited to conserving and protecting the Deposited Funds and making payments in connection with the resolution of the LaSalle Situation, including temporarily investing the Deposited Funds as described above and collecting income therefrom, making liquidating distributions to the Beneficiaries and taking such other actions as may be necessary to conserve and protect the SPV and the Deposited Funds and provide for the orderly liquidation thereof.

IV. THE CONTINGENT CONSIDERATION IS NOT A SECURITY

The Consortium believes that the Contingent Consideration is not a security, and, based on this view, has submitted a letter seeking confirmation from the Staff of the SEC that it will not take any enforcement action if the Contingent Payment Rights are granted to ABN AMRO Shareholders on the Exchange Offer without registration of the grant under Section 5 of the Securities Act. A copy of the draft letter requesting SEC relief, as submitted to the SEC on June 28, 2007, is attached hereto as **Exhibit B**, which letter describes in detail the view that the Contingent Payment Rights are not "securities" within the meaning of the Securities Act. Please note that the Transaction will not progress in its current form unless the SEC grants the requested no-action relief. In general, the Consortium believes that the Contingent Consideration is not a security because:

- The Beneficiaries' receipt of the Contingent Payment Rights does not involve an investment of money in a common enterprise. The economic reality is that the Contingent Payment Rights constitute a contingent deferred cash payment as partial consideration for terminating their interest in ABN AMRO.
- The Contingent Payment Rights do not reflect an expectation of profits from the efforts of others. The Contingent Payment Rights represent a contingent deferred cash payment which is dependent primarily upon the outcome of any potential claims made in connection with the LaSalle Situation.
- The Contingent Payment Rights are not an evidence of indebtedness. There can be no assurance or reasonable expectation that any particular amount will be received by the Beneficiaries from the special purpose vehicle out of the Deposited Funds. The Contingent Payment Rights do not represent an obligation to pay a predetermined amount of money or, in fact, to pay any money, and do not bear a stated rate of interest.

- The Contingent Payment Rights will not possess any of the common characteristics of a security. The Contingent Payment Rights will not:
 - (i) have voting or dividend rights;
 - (ii) represent an equity or ownership interest;
 - (iii) represent an obligation to receive a fixed sum;
 - (iv) carry a stated interest rate;
 - (v) be transferable, except by operation of law or upon the death of the beneficial owner;
 - (vi) be evidenced by certificates; or
 - (vii) represent a separate security with a separate trading market.

The Consortium therefore believes that no registration or qualification of the Contingent Payment Rights is required.

In this regard commentators note that state courts and securities authorities have commonly followed the lead of the SEC and federal courts in considering whether specific forms and instruments fall within the definitions of "security," and especially in identifying the essential elements that define the scope of categories of securities. We ask that you find that there is merit in consistency between federal and state regulatory authorities in this matter.²

V. IF YOU ARE UNABLE TO CONCLUDE THAT THE CONTINGENT PAYMENT RIGHTS ARE NOT SECURITIES, THEN WE SEEK YOUR CONCURRENCE THAT THE GRANT OF THE CONTINGENT PAYMENT RIGHTS DO NOT REQUIRE REGISTRATION OR QUALIFICATION

If you are unable to conclude that the Contingent Payment Rights do not constitute securities, we seek your concurrence that the grant of the Contingent Payment Rights does not require registration or qualification in Colorado on the grounds that they are securities issued in connection with the acquisition and merger of ABN AMRO by and into the members of the Consortium within the meaning of Section 11-51-308(1)(o) and Sec. 11-51-201(13)(g)(II) of the Colorado Securities Act. Also see, the No-Action Letter (issued 11-9-93) (granting an exemption request for an offer and sale of stock pursuant to a merger).

The securities law of Colorado exempts transactions in securities issued in connection with a merger or related transaction. We also note that the provision in question contemplates a vote by the securityholders of the target. While in this case no formal vote will be taken, the Consortium is of the view that this criterion is met by the following facts:

² ROBERT N. RAPP, BLUE SKY REGULATION 2-6 (2d ed. 2007); Joel Seligman, New Uniform Securities Act, 81 WASH. U. L. Q. 243, 247 n. 11 (2003).

June 29, 2007

- The Press Release states that the Consortium will not close the Offer until it has tendered to it at least a minimum percentage of the shares of ABN AMRO, currently set at 80%.
- Each shareholder of ABN AMRO will have the option to consent to or reject the transaction through sale of his or her ABN AMRO Shares to BidCo. Each shareholder of ABN AMRO will receive disclosure meeting the requirements of SEC Form F-4 prior to making this determination.

VI. REQUEST AND CONCLUSION

The Consortium seeks Colorado's concurrence that the Contingent Payment Rights are not securities or alternatively that the grant of the Contingent Payment Rights does not require registration or qualification as a security on the grounds that the Proposed Offer is an exempt transaction.

The Proposed Offer is expected to be commenced as early as July 9, 2007. In the event we do not meet Colorado's notification requirement, with respect to timely filing, we request a waiver with respect to that provision of the exemption. Consequently, your response to this letter will be appreciated as soon as possible in order to permit the Consortium to proceed with the Proposed Offer at that time.

Please confirm receipt of this notice by stamping and returning the enclosed copy of this letter in the self-addressed stamped envelope. Please feel free to call either of the undersigned at any time if you have additional questions, or if we can be of additional assistance.

Sincerely,



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