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February 14, 2007

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(via electronic transmission)

Mr. Anthony K. Bruster
Nix, Patterson & Roach, LLP
2900 St. Michael Drive, Suite 500
Texarkana, Texas 75503

Re: Civil Action No. 2:06-CV-0072; *DataTreasury Corporation v. Wells Fargo, et al.*;
In the United States District Court for the Eastern District of Texas, Marshall
Division.

Dear Anthony:

In reply to your recent letter, I offer the following, in addition to our responses and objections contained in HSBC North America Holdings Inc.'s ("HNAH") Objections, Assertions of Privilege and Responses to DataTreasury Corporation's First Set of Requests for Production Regarding Jurisdictional Discovery (incorporated herein by reference), in response:

Regarding your item number:

(1) The insurance policies are not relevant to the question of whether HNAH is subject to this Court's jurisdiction because: (a) HNAH's participation in the negotiation and purchase of the policies did not occur in Texas; (b) HNAH does not own any real property in Texas, and (c) HNAH does not conduct any business activity in Texas. However, Ms. Hickman testified, and we so stipulate, that the policies afford coverage to HNAH equally throughout the United States, including Texas.

(2) The presentations and related documents are not relevant because no presentation was made to HNAH's officers and directors in Texas. Instead, any and all presentations occurred in California, Florida, Illinois or New York.

(3) All dividends received by HNAH were received in Prospect Heights, Illinois from HNAH's direct subsidiary HSBC Investments (North America) Inc. HSBC Investments (North America) Inc. is a Delaware corporation that also has its principal place of business in Prospect Heights, Illinois, and it does not own any real property in, or conduct any business activity in, Texas.

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The banking entity that is the subject of your lawsuit, HSBC Bank USA, N.A., is a fourth-tier subsidiary of HNAH, in that:

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- (a) HNAH is the parent of:
 - (b) HSBC Investments (North America) Inc., which is the parent of:
 - (c) HSBC North America, Inc., which is the parent of:
 - (d) HSBC USA Inc., which is the parent of:
 - (e) HSBC Bank USA, N.A.

As you can see, it would be impossible to trace any portion of a dividend received by HNAH from HSBC Investments (North America) Inc. to any business activity in Texas, even if it was relevant which it is not.

(4) There are no communications within or toward Texas between the officers and directors of HNAH and the officers and directors of HSBC Bank USA, N.A. To the extent that such communications do exist, those communications would be between Prospect Heights, Illinois and Buffalo or New York, New York. Moreover, if this category includes documents presented at board of directors meetings, then it is possible that such communications would also be within or toward California or Florida, but there are none within or toward Texas. As a result, there are no communications relevant to the question of whether HNAH is subject to this Court's jurisdiction.

(5) Please see my response to your item numbers (2) and (4) which are incorporated herein by reference.

(6) Please see my response to your item number (2) which is incorporated herein by reference.

As you may recall, the only issue in dispute is whether HNAH is subject to this Court's jurisdiction. It is black-letter law that the presence or activities of a subsidiary cannot bestow jurisdiction on the parent, especially when the subsidiary exists four (4) tiers below the parent in question.

Furthermore, we are aware of no case law whatsoever that imposes jurisdiction on a party merely by virtue of the receipt of a shareholder's dividend (or in this case a possible component of a dividend). If you have authority to the contrary we will of course reconsider.

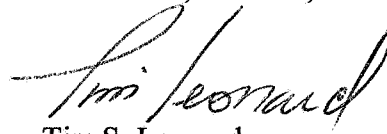
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Accordingly, the only documents relevant to the issue in dispute relate to HNAH's, and only HNAH's, presence or activity in Texas. However, as you may recall, HNAH is a holding company and its only business consists of owning stock in HSBC Investments (North America) Inc. and performing the typical consolidating functions of the top tier parent, all of which occur in Prospect Heights, Illinois. Accordingly, HNAH has no presence in, and does not conduct any business activity in, Texas and, as a result, HNAH does not have any relevant documents to produce on these issues.

To the extent that HNAH has documents responsive to Plaintiff's Requests for Production, those documents have already been produced. Please feel free to call me if we need to discuss this further.

Sincerely,

Boudreaux, Leonard, Hammond & Curcio, P.C.



Tim S. Leonard