

*Quarterly
Journal*

RECENT LICENSING
DECISIONS

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Cases Published during July, August, and September 2005

CRA Decision

On July 12, 2005, the OCC approved the application to merge First Bank of San Luis Obispo, San Luis Obispo, CA, into Pacific Capital Bank, National Association, Santa Barbara, CA (PCB), under the charter of PCB and the title Pacific Capital Bank, National Association. The OCC received nearly identical comments from nine commenters who expressed concerns related to Refund Anticipation Loans (RALs) offered by Santa Barbara Bank and Trust, a branch of PCB. As part of the OCC's ongoing supervision of PCB within the past year, the OCC reviewed the bank's RAL program and found no violations of law, but did recommend that the bank improve its processes for oversight of third-party tax preparers. PCB committed to address this issue and the OCC will continue to monitor PCB's commitment. The commenters also requested that the OCC conduct a public hearing. After careful consideration, the OCC decided not to conduct a hearing on this merger application. [Corporate Decision No. 2005-11]

Conversion

On June 9, 2005, the OCC conditionally approved the application of Brown Brothers Harriman Trust Company, LLC, to convert to a national banking association to be called Brown Brothers Harriman National Trust Co. In the review of this application, the OCC determined that state banks and trust companies organized as limited liability companies may convert into national banking associations under section 12 USC 35. The bank would continue to operate in a similar manner electing, under 12 CFR .2000(b), to follow New York limited liability company law for its internal governance to the extent not inconsistent with applicable federal banking statutes and regulations or bank safety and soundness. This conditional approval was subject to several conditions including the execution of a Capital Assurances and Liquidity Maintenance Agreement between the Bank and its parent Brown Brothers Harriman & Co. [Conditional Approval No. 696]

Change in Bank Control

On June 10, 2005, the OCC did not disapprove a Change in Bank Control Notice submitted by Computershare Limited, Victoria, Australia, and EQAC Inc., Chicago, IL, to acquire control of

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EquiServe Trust Company, National Association, Canton, MA. The OCC's decision was based, in part, on agreements made in connection with this filing between Computershare Limited and the OCC effective June 10, 2005, and EquiServe Trust Company, N.A. and the OCC effective June 23, 2005. These agreements help ensure that the bank will be operated in a safe and sound manner and both agreements may be enforced under 12 USC 1818. [Corporate Decision No. 2005-06]

Capital

On June 20, 2005, the OCC approved the application by The Ephrata National Bank, Ephrata, PA, to reduce its permanent capital by purchasing a limited amount of its own common stock to be held as treasury stock to be reissued in the future under the bank's Dividend Reinvestment and Stock Purchase Plan. The OCC found that repurchasing bank stock to facilitate a bank's shareholder dividend reinvestment plan is a "legitimate corporate purpose" under 12 CFR 7.2020. [Corporate Decision No. 2005-07]

Comments to Other Agencies

On April 7, 2005, the OCC provided comments to the Federal Reserve Board on the application by Republic Bancorp, Inc. to become a bank holding company through the acquisition of National Family Bank, Munden, KS. In connection with this application, the directors of Republic Bancorp, Inc. and the OCC entered into an agreement, and the National Family Bank and the OCC entered into an agreement, both effective June 14, 2005. These agreements help ensure the bank will be operated in a safe and sound manner and both agreements may be enforced under 12 USC 1818. [Corporate Decision No. 2005-08]

On June 15, 2005, the OCC provided comments to the Federal Reserve Bank of Kansas City on the Notice of Change in Bank Control by certain controlling shareholders to acquire indirect control of American National Bank of Rock Springs, Rock Springs, WY. In connection with this filing, the controlling shareholders and the OCC entered into an agreement effective June 15, 2005, and the American National Bank of Rock Springs and the OCC entered into an agreement effective June 28, 2005. These agreements help ensure the bank will be operated in a safe and sound manner and both agreements may be enforced under 12 USC 1818. [Corporate Decision No. 2005-08]