

*Quarterly
Journal*

RECENT LICENSING
DECISIONS

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Charters

On April 28, 2004, the OCC granted preliminary conditional approval to a proposal by Excel National Bank (Proposed) to establish as a national bank. The bank's principal will be a passive investor that lives abroad and has diversified interests there. New banks have 18 months in which to open for business and until granted final approval, the OCC has the right to alter, suspend, or revoke preliminary conditional approval should it deem that the action is warranted. During that time, the bank's proposed chief executive officer died. OCC considers the CEO as essential for a new bank's success, and the bank found a replacement acceptable to the OCC. [Conditional Approval No. 636]

Mergers

On March 15, 2004, the OCC approved the application by First National Bank of Sumner to merge into its nonbank affiliate, RH Financial Corporation, under USC 215a-3 and the OCC's recently adopted regulations at 12 CFR 5.33(g)(5). FNB Sumner had been de-insured by the Federal Deposit Insurance Corporation since November 2002, and in liquidation since June 2003. RH Financial is not a bank and is a shell corporation, formed for the sole purpose of being the receiving entity in the merger. RH Financial and the bank represented that it will comply with Maryland state filing requirements for the merger. [Corporate Decision No. 2004-8]

On March 31, 2004, the OCC approved the application by the Security Trust Company to merge into its nonbank affiliate, STC Resolution, under USC 215a-3 and the OCC's recently adopted regulations at 12 CFR 5.33(g)(5). Security Trust is a noninsured trust bank. Because of certain practices in which the bank had engaged under prior management, the OCC commenced enforcement action against the bank. STC would succeed to the bank's position in all litigation, and its certificate is limited to activities that generally involve winding up its affairs. [Corporate Decision No. 2004-7]

Operating Subsidiaries

On March 1, 2004, the OCC conditionally approved the establishment of PennRock Financial Advisors as an operating subsidiary of Blue Ball National Bank. The operating subsidiary would engage solely in fiduciary activities. Conditions imposed included minimum capital considerations, the authority of OCC to examine certain technology-related vendors, and transaction with affiliates, domestic or foreign. [Conditional Approval No. 627]