

*Quarterly  
Journal*

RECENT LICENSING  
DECISIONS

# RECENT LICENSING DECISIONS

---

## **Cases Published during January, February, and March 2005**

### **CRA Decisions**

On December 21, 2004, the OCC approved the application to merge SouthTrust Bank, Birmingham, AL, into Wachovia Bank, National Association, Charlotte, NC. The OCC received a comment from a community organization that expressed Community Reinvestment Act (CRA) compliance concerns and it requested that the OCC conduct a public hearing. Based on each bank's CRA record of performance, the OCC found approval consistent with the CRA. In addition, the OCC carefully considered whether to hold a public hearing but determined not to conduct a hearing as the general standard to hold a public hearing under 12 CFR 5.11 was not met. [CRA Decision No. 125.]

On February 15, 2005, the OCC conditionally approved the application of First American Bank, SSB, Bryan, TX, (FAB) to convert to a national bank with the title Citibank Texas, National Association to be located in Dallas, TX. The application stated that immediately after converting to a national bank, Citibank Texas will be acquired by Citigroup, Inc., New York, NY. The OCC received a comment from a community organization raising CRA compliance concerns and it requested that the OCC conduct a public hearing. Based on Citibank's CRA record of performance including an "outstanding" rating in its most recent CRA performance evaluation, the OCC found approval was not inconsistent with the CRA. In addition, the OCC carefully considered whether to hold a public hearing but determined not to conduct a hearing as the general standard to hold a public hearing under 12 CFR 5.11 was not met. This application was subject to conditions including that the resulting bank, Citibank Texas, shall take all steps necessary to ensure that the commitments set forth in the December 29, 2004, letter from FAB to the OCC are fully adopted and timely implemented. [Conditional Approval No. 676]

### **Capital**

On December 27, 2004, the OCC conditionally approved the application of Borrego Springs Bank, National Association, La Mesa, CA, to elect the corporate governance provisions of Delaware law and complete a reverse stock split in accordance with those provisions. This represents the first OCC approval of a reverse stock split conducted under Delaware corporate governance

## RECENT LICENSING DECISIONS

procedures. This approval was subject to conditions requiring the bank: to elect corporate governance provisions of Delaware law, provide for dissenters' rights comparable to those found in relevant statutes, pay the cost of any appraisal that may occur if any shareholders dissent, and pay for binding arbitration by an independent third party to appraise the stock if the appropriate court(s) decline to accept jurisdiction of an appraisal action. [Conditional Approval No. 670]

### **Branches**

On December 17, 2004, the OCC conditionally approved the application of Commerce Bank, N.A., Cherry Hill, NJ, to establish a branch at 2 Wall Street, New York, NY. The building in which the branch will be established is eligible for listing in the National Register of Historic Places. The New York state historic preservation officer determined that the bank's plans for establishing the branch would have an adverse effect on the building. Accordingly, a memorandum of agreement was entered into by the bank, the New York state historic preservation officer, and the OCC to mitigate the adverse effects of the proposal. This conditional approval was subject to the condition that the bank carry out the measures listed under the stipulations section of the memorandum of understanding and shall remain in effect until all measures are satisfactorily implemented. [Conditional Approval No. 669]

On January 14, 2005, the OCC conditionally approved the application of Eagle National Bank, Doral, FL, to establish a branch in Medley, FL. This conditional approval was subject to the condition that the bank achieves substantial compliance with the consent order dated December 20, 2004, before the branch opens for business. [Conditional Approval No. 673]