

*Quarterly
Journal*

RECENT LICENSING
DECISIONS

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Cases Published during July, August, and September 2004

CRA Decisions

On June 23, 2004, the OCC conditionally approved the application by HSBC Bank & Trust Company (Delaware), National Association, Wilmington, DE, into a newly established interim national bank with the title, HSBC Bank USA, National Association, New Castle, DE, and the subsequent merger of HSBC Bank USA, Buffalo, NY, into HSBC Bank USA, National Association, New Castle, DE, under the charter and title of the latter. The OCC received comments from one community organization expressing Community Reinvestment Act (CRA) compliance concerns. Based on HSBC's CRA record of performance, the OCC found approval to be consistent with the CRA. [CRA Decision No. 122]

On August 31, 2004, the OCC approved the application by Community National Bank, Fallbrook, CA, to merge in Cuyamaca Bank, National Association, Santee, CA. The OCC received a letter from one commenter expressing Community Reinvestment Act (CRA) compliance concerns. The OCC found that the transaction met the relevant statutory criteria for approval and the transaction raises no supervisory or policy concerns. [Conditional Approval No. 648]

Operating Subsidiaries

On June 15, 2004, the OCC conditionally approved the application by The Goldman Sachs Trust Company, N.A., New York, NY ("bank") to acquire The Goldman Sachs Trust Company of Delaware ("TGSTCD"), a Delaware limited-purpose trust company, as a wholly owned operating subsidiary of the Bank. The approval was subject to several conditions including a bank-written notification to the OCC if TGSTCD requires additional capital or liquidity, or that the Office of the State Bank Commissioner, State of Delaware, is or may be commencing an enforcement action against TGSTCD or any of its officers or directors who may also serve as an officer or director of the bank. Another condition requires the bank and The Goldman Sachs Group, Inc. ("parent") to execute a new capital assurance and liquidity maintenance agreement. [Conditional Approval No. 642]

On June 16, 2004, the OCC conditionally approved the application by PNC Bank, National Association, Pittsburgh, PA, ("bank") for its operating subsidiary, BlackRock, Inc., and its subsidiaries,

RECENT LICENSING DECISIONS

to hold for limited periods of time limited interests in certain private investment funds for which it serves as investment manager. Conditions imposed include that the managed funds are considered affiliates under Sections 23A and 23B of the Federal Reserve Act, the bank must adopt and implement an appropriate risk management process for these activities, limited interests shall not include a fund that holds real estate or tangible personal property, and other holding and reporting requirements. [Conditional Approval No. 643]

On June 28, 2004, the OCC conditionally approved the application by Wells Fargo Bank, National Association, Minneapolis, MN, to acquire an operating subsidiary (InvestCo) in which a financial services company chartered and operating in the United Kingdom also will have an interest. Conditions imposed include evidence of the Financial Services Authority's nonobjection to the transaction prior to consummation of the acquisition, InvestCo may engage in activities limited to those described in the application and representations, books and records access requirements, and the bank must file an operating subsidiary application to establish or acquire additional operating subsidiaries with similar activities as InvestCo and no application shall be filed until the OCC has first advised the bank of the satisfactory condition of an examination of the bank's structured finance line of business. [Conditional Approval No. 646]

On April 3, 1997, the OCC approved the application by The First National Bank, Conway Springs, KS, to establish an operating subsidiary (Norcon Resource Corporation) to manage the bank's investment portfolio and hold a non-controlling interest in an insurance agency. Conditions imposed include that the insurance agency will engage only in activities that are part of, or incidental to, the business of banking, the bank will have veto power over any activities and major decisions of the insurance agency that are inconsistent with the business of banking or bank will withdraw from insurance agency in the event it engages in such activities, and the insurance agency is subject to OCC supervision, regulation, and examination. [Conditional Approval No. 2004-12.

Branches

On June 22, 2004, the OCC conditionally approved the application by Southern Colorado National Bank, Pueblo, CO, to establish a branch in Pueblo West, CO. The approval was subject to a preconsummation requirement that the holding company inject capital of \$1,000,000 into the bank prior to opening the proposed branch. The approval is subject to the condition that the bank maintains a well-capitalized position throughout the three-year projection period ending December 31, 2007. [Conditional Approval No. 645]