



Federal Deposit Insurance Corporation
550 17th St. NW, Washington, DC 20429

May 19, 2008

Ms. Kathleen A. Scott, Esq. Counsel
Bank Advisory Practice
White & Case LLP
1155 Avenue of the Americas
New York, New York 10036

Subject: ARCUS Financial Bank
Salt Lake City, Utah

Dear Ms. Scott:

This is to notify you that on May 19, 2008, the Board of Directors (Board) of the Federal Deposit Insurance Corporation (FDIC) approved ARCUS Financial Bank's (ARCUS) request to eliminate conditions 5, 11, and 12 of the Order granting deposit insurance. In approving the bank's request, the Board also modified conditions 2, 8, 17, and 21 of the Order and added certain other conditions. The reasons for the Board's actions are set forth in the attached Statement.

In granting ARCUS' request to modify the Order, the FDIC considered a number of factors, including the bank's business plan. Please be advised that any major deviation from the business plan during the first seven years of operation must be approved by the FDIC before consummation of the change. Deviation from the business plan, in either the rate of growth or type of business conducted, may require the injection of additional capital prior to any change being effected.

Also enclosed is a form for the ILC's use in certifying that its board of directors has adopted a resolution approving the action of the prospective incorporators in preparing and presenting the company's application for Federal deposit insurance. After incorporation has been duly effected and the state authority charters the ILC to do business, the properly executed form must be transmitted to the Regional Director of the San Francisco Regional Office and must be accompanied, if those documents have not been submitted previously to the Corporation, by a copy of the ILC's articles of incorporation or association and a copy of the ILC's license or authorization to operate an ILC. In the meantime, if the ILC's board cannot yet

act in its corporate capacity to adopt the resolution prescribed, please furnish a statement signed by the majority of the persons who will act as directors of the new ILC agreeing to adopt the resolution when the board is legally organized.

Please provide to the San Francisco Regional Office satisfactory evidence of the ILC's compliance with the conditions stated in the enclosed Order. The Regional Office will in turn furnish that information to the Office of the Executive Secretary who will inform you of the effective date of Federal deposit insurance.

If an extension of the time limitation prescribed in the Order is required, a letter application requesting a specified extension should be submitted to the FDIC's San Francisco Regional Office.

Sincerely,



Robert E. Feldman
Executive Secretary

Enclosures

cc: Honorable G. Edward Leary
Commissioner of Financial Institutions
Utah Department of Financial Institutions
P.O. Box 146800
Salt Lake City, Utah 84114-6800

Federal Deposit Insurance Corporation
CERTIFICATE OF ADOPTION OF RESOLUTION

The undersigned, _____ and _____ of the
(President or Vice-President) (Cashier or Secretary)

(Name of Bank) (Street Address) (City or Town and State)

do hereby certify that the following is a true and correct copy of a resolution duly adopted by the Board of Directors of the said Bank at a meeting of said Board regularly called and held on _____; and entered in the minutes of that meeting:
(Date)

WHEREAS, there was submitted to the Federal Deposit Insurance Corporation an APPLICATION FOR FEDERAL DEPOSIT INSURANCE (FDIC Form 6200/05) duly executed and forwarded to the Federal Deposit Insurance Corporation on _____, by
(Date)

and _____, prospective incorporators of the
_____, then in the process of organization; and
(Name of Bank) (City or Town and State)

WHEREAS, said Application was made by the prospective incorporators on behalf of the Bank, upon the understanding that such insurance was not to become effective (a) until the proposed Bank had been incorporated and authorized to engage in the business of receiving deposits, (b) until the Board of Directors of the Bank had adopted a resolution ratifying and confirming the action of said incorporators in making said Application with supporting information, and (c) until the Bank had fulfilled such requirements, if any, as might be imposed by the Federal Deposit Insurance Corporation as a condition of its approval of said Application, and (d) until the Bank had been approved for membership in said Corporation and so notified; and

WHEREAS, the Bank has been duly incorporated and chartered as a (State, State Savings, State Industrial) _____ Bank and authorized to receive deposits and do a banking business by the proper State Authority;

NOW, THEREFORE, IT IS RESOLVED, that the Board of Directors of the Bank hereby approves the said action of the prospective incorporators of the Bank in preparing and presenting to the Federal Deposit Insurance Corporation said Application, and hereby ratifies and confirms the same, with the same force and effect as if said Application had been made in behalf of the Bank by this Board.

RESOLVED, that a true copy of said Application shall be and the same is hereby made a part of the minutes of this meeting; that all of the written statements and representations therein made by said incorporators and all of the written information therein contained, submitted by them upon the several factors enumerated in Section 6 of the Federal Deposit Insurance Act to the Federal Deposit Insurance Corporation for the purpose of inducing said Corporation to accept this Bank, when organized, as a member thereof, be and the same are hereby adopted, ratified, and confirmed as statements, representations, and information submitted by this Board, except as hereinafter noted, with like effect as though made and submitted by it:

RESOLVED, that the President or Vice-President and Cashier or Secretary of this Bank are hereby authorized and directed to prepare and transmit to the Federal Deposit Insurance Corporation, San Francisco, California, the following documents, properly certified by them:

- (1) One copy of this Resolution;
- (2) A copy (if not heretofore submitted) of the Articles of Incorporation or Association of the Bank; and
- (3) A copy (if not heretofore submitted) of the License or other instrument authorizing the Bank to engage in the business of receiving deposits.

Date: _____
(Name and Location of Applicant Bank)

(Seal) By: _____
(President or Vice-President)

Attest: _____
(Cashier or Secretary)

FEDERAL DEPOSIT INSURANCE CORPORATION

**In Re: ARCUS Financial Bank (Proposed)
Salt Lake City, Salt Lake County, Utah
Application for Federal Deposit Insurance
(Deposit Insurance Fund)**

STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act (12 U.S.C. §1815), an application for Federal deposit insurance was filed for ARCUS Financial Bank (the Bank), a proposed new state-chartered industrial bank, to be located at 2825 East Cottonwood Parkway, Salt Lake City, Salt Lake County, Utah. The application was approved by the Board of Directors of the Federal Deposit Insurance Corporation (FDIC), and a deposit insurance Order (Order) was issued on September 11, 2007, subject to certain standard and non-standard conditions, including the requirement that WellPoint execute certain written agreements.

WellPoint Inc. is not subject to consolidated Federal bank supervision; therefore, in order to protect the safety and soundness of the Bank and to protect the Deposit Insurance Fund, approval of the original application was conditioned on WellPoint executing one or more written agreements that incorporate the conditions and requirements contained in the FDIC's proposed rules regarding certain industrial banks. *See* 72 Fed. Reg. 5217 (February 5, 2007). The original written agreements incorporated the conditions and requirements detailed in the proposed rules that are appropriate for this application.

The Bank will be a direct subsidiary of ARCUS Financial Holding Corp., which is in-turn a direct subsidiary of WellPoint Inc. (or WellPoint), Indianapolis, Indiana. WellPoint Inc. is a publicly traded health benefits company with approximately 35 million medical members primarily concentrated in 21 states. As of December 31, 2007, WellPoint reported total assets of \$52.1 billion, total liabilities of \$29.1 billion, and shareholders' equity of \$23.0 billion.

In letters dated November 28, 2007, and January 28, 2008, WellPoint requested that the Order be modified to eliminate conditions 5, 11, and 12. Condition 5 generally requires that the Bank engage only in financial activities; condition 11 generally requires that WellPoint limit the total assets and total revenues of subsidiaries engaged in disease management or mail order pharmacy activities to no more than 2 percent of the company's consolidated assets and 5 percent of its consolidated total annual revenues; and condition 12 generally requires that WellPoint limit the total assets of subsidiaries engaged in disease management or mail order pharmacy activities to no more than 5 percent of the total capital of all regulated insurance company subsidiaries and health plans of WellPoint.

The Bank will distribute and market a targeted set of products and services associated with health savings accounts in partnership with WellPoint health plans. This strategy will leverage existing WellPoint relationships with employers, medical members and health care providers. WellPoint

anticipates that this approach will provide an easy enrollment process for the consumer and provide the Bank with a low-cost method of distributing its products.

The Bank will ensure that all affiliate transactions are conducted in accordance with Sections 23A and 23B of the Federal Reserve Act, 12 U.S.C. §§ 371c, 371c-1, and the Board of Governors of the Federal Reserve System's Regulation W, 12 CFR part 223.

For the purposes of WellPoint's request, capital is adequate, projections for future earnings prospects are favorable, management is considered satisfactory, and the investment in fixed assets is reasonable. Corporate powers to be exercised are consistent with the purpose of the Federal Deposit Insurance Act. No undue risk to the insurance fund is apparent.

Accordingly, based upon careful evaluation of all available facts and information, the Board of Directors has determined that WellPoint's modification request should be granted subject to changes to certain existing non-standard conditions and the addition of other non-standard conditions. The changes will allow enhanced oversight of the WellPoint/ARCUS relationship during the Bank's formative years and will help ensure WellPoint's ongoing commitment to the Bank.

**BOARD OF DIRECTORS
FEDERAL DEPOSIT INSURANCE CORPORATION**

FEDERAL DEPOSIT INSURANCE CORPORATION

**In Re: ARCUS Financial Bank (Proposed)
Salt Lake City, Salt Lake County, Utah
Application for Federal Deposit Insurance
(Deposit Insurance Fund)**

ORDER

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) has fully considered all available facts and information relevant to Section 6 of the Federal Deposit Insurance Act in evaluating the request of WellPoint, Inc., Indianapolis, Indiana (WellPoint) to eliminate conditions 5, 11, and 12 of the September 11, 2007, Order (the Order) approving the application for Federal deposit insurance for ARCUS Financial Bank (the Bank), a proposed new Utah industrial bank to be located in Salt Lake City, Utah, and owned by ARCUS Financial Holding Corp., a direct subsidiary of WellPoint.

Accordingly, it is hereby ORDERED, for the reasons set forth in the attached Statement that the modification request submitted by the Bank be approved, subject to modifications to conditions 2, 8, 10, 17, and 21 and the addition of new conditions 30-32, and that conditions 5, 11, and 12 be deleted from the Order.

It is further ORDERED that conditions 2, 8, 10, 17, and 21 in the Order be modified to read as follows:

2. WellPoint and ARCUS Financial Holding Corp. will maintain the Bank's capital at such levels as the FDIC deems appropriate, as reflected in the terms of a Capital Maintenance Agreement entered into by the FDIC, WellPoint, ARCUS Financial Holding Corp., the Bank, and such other parties as the FDIC deems appropriate, and/or take such other actions as the FDIC deems appropriate to provide the Bank with a resource for additional capital and liquidity.
8. That WellPoint shall cause an independent annual audit of the Bank to be performed during the first seven years after the Bank becomes a subsidiary of WellPoint, and the Bank shall submit to the FDIC: (i) a copy of the audited annual financial statements and the independent public auditor's report thereon within 90 days after the end of the depository institution's fiscal year, (ii) a copy of any other reports by the independent auditor (including any management letters) within 15 days after their receipt by the institution, and (iii) written notification within 15 days after a change in the institution's independent auditor occurs.
10. That Federal deposit insurance shall not become effective until the Bank and WellPoint shall have entered into a written agreement with the FDIC whereby WellPoint agrees to adhere to the conditions imposed in paragraphs 2 through 4 (as modified), 6 through 9 (as modified), and 30 through 32.

17. That the Bank shall obtain written approval from the FDIC prior to adding or replacing a member of the Bank's Board of Directors or any senior executive officer prior to opening and during the first seven years of operation.
21. That during the first seven years of operation, the Bank shall obtain written approval from the FDIC prior to consummating any proposed major deviation or material change from its business plan.

It is further ORDERED that the Order be amended to include the following new conditions to read as follows:

30. WellPoint shall serve as a source of strength to each subsidiary insured depository institution.
31. The Bank shall notify the appropriate FDIC Regional Director at least 30 days in advance before the aggregate amount of covered transactions between the Bank and its affiliates exceeds 10 percent of the Bank's capital stock and surplus. For purposes of this Order, a covered transaction has the same meaning as in 12 U.S.C. 371c(b)(7).
32. WellPoint shall obtain the prior written approval of the appropriate FDIC Regional Director before the consolidated annual revenues from non-financial activities conducted by WellPoint and its affiliates, in the aggregate, (excluding revenues associated with the disease management activities of WellPoint's regulated insurance company affiliates) exceed 15 percent of WellPoint's consolidated total annual revenues. (For purposes of this Order, the term "non-financial activity" means any activity other than: (1) banking, managing, or controlling banks or savings associations; (2) any activity permissible for financial holding companies under 12 U.S.C. 1843(k), any specific activity that is listed as permissible for bank holding companies under 12 U.S.C. 1843(c) and activities that the Federal Reserve Board has permitted for bank holding companies under 12 C.F.R. 225.28 and 225.86; and (3) any activity permissible for all savings and loan holding companies under 12 U.S.C. 1467a(c).)

All other terms and conditions of the Order shall remain in full force and effect.

Dated at Washington, D.C. this 19th day of May, 2008.

FEDERAL DEPOSIT INSURANCE CORPORATION

By: _____



Robert E. Feldman
Executive Secretary

PARENT COMPANY AGREEMENT

THIS PARENT COMPANY AGREEMENT (Agreement), dated as of _____, _____, by and among the **FEDERAL DEPOSIT INSURANCE CORPORATION**, a Federal banking agency existing under the laws of the United States having its principal office in Washington, D.C. (FDIC); **WELLPOINT, INC.**, Indianapolis, Indiana, a corporation duly organized and existing under the laws of the State of Indiana (Parent Company); **ARCUS FINANCIAL HOLDING CORP.**, Indianapolis, Indiana, a wholly-owned subsidiary of Parent Company and a corporation duly organized and existing under the laws of the State of Indiana (Mid-Tier Holding Company); and **ARCUS FINANCIAL BANK**, a second-tier subsidiary of Parent Company and a proposed Industrial Bank to be chartered by the State of Utah and located in Salt Lake City, Utah (Bank).

WITNESSETH:

WHEREAS,

1. The FDIC is authorized by Sections 5 and 6 of the Federal Deposit Insurance Act (FDI Act) to act on all applications for deposit insurance by depository institutions and to insure the deposits of all banks and savings associations entitled to the benefits of Federal deposit insurance. 12 U.S.C. § 1811(a); §1815(a); §1816;
2. On February 2, 2007, the Bank submitted to the FDIC an application for Federal deposit insurance for a proposed Utah-chartered Industrial Bank;
3. On July 28, 2006, the FDIC imposed a six-month moratorium on all deposit insurance applications and change in control notices with respect to all industrial banks;
4. On January 31, 2007, the FDIC extended for one year the moratorium on deposit insurance applications and change in control notices submitted with respect to industrial banks that would be controlled by commercial companies (moratorium);
5. On September 11, 2007, the FDIC Board of Directors approved the Bank's application for deposit insurance subject to certain standard and non-standard conditions including requirements related to the moratorium that: (a) the Bank engage only in financial activities (condition 5); (b) WellPoint limit the total assets and total revenues of subsidiaries engaged in disease management or mail order pharmacy activities to no more than 2 percent of the company's consolidated assets and 5 percent of its consolidated total annual revenues (condition 11); and (c) WellPoint limit the total assets of subsidiaries engaged in disease management or mail order pharmacy activities to no more than 5 percent of the total capital of all regulated insurance company subsidiaries and health plans of WellPoint (condition 12);
6. On November 27, 2007, and January 2008, the Bank submitted letters to the FDIC requesting that conditions 5, 11, and 12 be eliminated from the Order;

7. On January 31, 2008, the moratorium expired;
8. Parent Company, Mid-Tier Holding Company and the Bank have expressed their willingness to enter into this Agreement and to submit to such conditions as the FDIC may deem necessary to approve such application;
9. To better evaluate the potential risks to the Bank and to the Deposit Insurance Fund, the FDIC deems this Agreement necessary and may not make a favorable finding on the pending request to modify the Order granting deposit insurance to the Bank if the Parent Company, the Mid-Tier Holding Company and the Bank do not enter into this Agreement;

In consideration of the premises and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the FDIC, the Parent Company, the Mid-Tier Holding Company, and the Bank agree as follows:

A. If the FDIC approves the Bank's application for deposit insurance, the Parent Company and the Mid-Tier Holding Company agree to comply with the provisions in section B below.

B. Obligations of Parent Company and Mid-Tier Holding Company

1. Parent Company shall submit to the FDIC an initial listing of all of its subsidiaries and update the list annually;
2. Except as limited by Section 45 of the FDI Act, 12 U.S.C. § 1831v, Parent Company consents to examination by the FDIC of Parent Company and each of its subsidiaries to monitor compliance with the provisions of the Federal Deposit Insurance Act or any other federal law that the FDIC has specific jurisdiction to enforce against such company or subsidiary and those governing transactions and relationships between any depository institution subsidiary and its affiliates;
3. Except as limited by Section 45 of the FDI Act, 12 U.S.C. § 1831v, Parent Company shall submit to the FDIC an annual report regarding its operations and activities, in the form and manner prescribed by the FDIC, and such other reports as may be requested by the FDIC to keep the FDIC informed as to financial condition, systems for monitoring and controlling financial and operating risks, and transactions with the Bank; and compliance by Parent Company or its subsidiaries with applicable provisions of the Federal Deposit Insurance Act or any other Federal laws that the FDIC has specific jurisdiction to enforce against such company or subsidiary;
4. Parent Company and Mid-Tier Holding Company shall maintain such records as the FDIC may deem necessary to assess the risks to the Bank or to the Deposit Insurance Fund;

5. Parent Company shall cause an independent annual audit of the Bank to be performed during the first seven years after the Bank becomes a subsidiary of the Parent Company, and the Bank shall submit to the FDIC: (i) a copy of the audited annual financial statements and the independent public auditor's report thereon within 90 days after the end of the depository institution's fiscal year, (ii) a copy of any other reports by the independent auditor (including any management letters) within 15 days after their receipt by the institution, and (iii) written notification within 15 days after a change in the institution's independent auditor occurs.

6. Parent Company shall limit its representation, direct and indirect, on the board of directors of the Bank to no more than 25% of the members of such board of directors, in the aggregate;

7. Parent Company and Mid-Tier Holding Company will maintain the Bank's capital at such levels as the FDIC deems appropriate, as reflected in the terms of a Capital Maintenance Agreement entered into by the FDIC, the Parent Company, the Mid-Tier Holding Company, the Bank, and such other parties as the FDIC deems appropriate, and/or take such other actions as the FDIC deems appropriate to provide the Bank with a resource for additional capital and liquidity;

8. Parent Company shall serve as a source of strength to each subsidiary insured depository institution;

9. The Bank shall notify the appropriate FDIC Regional Director at least 30 days in advance before the aggregate amount of covered transactions between the Bank and its affiliates, in the aggregate, exceeds 10% of the Bank's capital stock and surplus. (For purposes of this Agreement, a covered transaction has the same meaning as in 12 U.S.C. 371c(b)(7)); and

10. Parent Company shall obtain the prior written approval of the appropriate FDIC Regional Director before Parent Company's consolidated annual revenues from any non-financial activities conducted by Parent Company and its affiliates, in the aggregate, (excluding revenues associated with the disease management activities of Parent Company's regulated insurance company affiliates) exceed 15% of Parent Company's consolidated total annual revenues. (For purposes of this Agreement, the term "non-financial activity" means any activity other than: (1) banking, managing, or controlling banks or savings associations; (2) any activity permissible for financial holding companies under 12 U.S.C. 1843(k), any specific activity that is listed as permissible for bank holding companies under 12 U.S.C. 1843(c) and activities that the Federal Reserve Board has permitted for bank holding companies under 12 C.F.R. 225.28 and 225.86; and (3) any activity permissible for all savings and loan holding companies under 12 U.S.C. 1467a(c).)

C. Miscellaneous Provisions.

Definitions. The term “Board of Directors” includes, for a corporation, the board of directors, and for a limited liability company, the board of managers or the managing members, as appropriate. The term “subsidiary” means any company that is directly or indirectly controlled by another company, and “control” has the meaning given it in 12 U.S.C. § 1817(j)(8) and includes the presumption of control at 12 C.F.R. § 303.82(b)(2). Other terms used in this Agreement that are not otherwise defined herein have the meanings given them in Section 3 of the FDI Act, 12 U.S.C. § 1813.

Enforceability as a Written Agreement. In addition to any other remedies provided by law, this Agreement is binding and enforceable by the FDIC as a written agreement pursuant to Section 8 of the FDI Act, 12 U.S.C. § 1818.

Authority of Parent Company, Mid-Tier Holding Company, and Bank. The Board of Directors of the Parent Company, the Mid-Tier Holding Company, and the Bank each have approved a resolution (Resolution) authorizing Parent Company, the Mid-Tier Holding Company and the Bank to enter into this Agreement. A certified copy of each Resolution for each party is attached hereto as Exhibit A and incorporated herein by reference.

Governing Laws. This Agreement and the rights and obligations hereunder shall be governed by and shall be construed in accordance with the Federal law of the United States, and, in the absence of controlling Federal law, in accordance with the laws of the State of Delaware.

No Waiver. No failure to exercise, and no delay in the exercise of, any right or remedy on the part of any of the parties to this Agreement shall operate as a waiver or termination of the Agreement. Further, any exercise or partial exercise of any right or remedy relating to this Agreement will not preclude further exercise of such right or remedy or any other right or remedy.

No Oral Change. This Agreement may not be modified, amended, changed, discharged, terminated, released, renewed or extended in any manner except by a writing signed by all of the parties.

Addresses. Any correspondence or submission required by the Agreement shall be provided in writing and shall be delivered by hand or sent by United States express mail or commercial express mail, postage prepaid, and addressed as follows:

If to the Parent Company:

WellPoint, Inc.
120 Monument Circle
Indianapolis, IN 46204

If to the Mid-Tier Holding Company:

ARCUS Financial Holding Corporation
120 Monument Circle
Indianapolis, IN 46204

If to the Bank:

ARCUS Financial Bank
Cottonwood Corporate Center
2825 East Cottonwood Parkway
Suite 150
Salt Lake City, UT 84121

If to the FDIC:

Associate Director, Division of Supervision and Consumer Protection
Supervision and Applications Branch
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429

No Assignment. This agreement may not be assigned or transferred, in whole or in part, without the prior written consent of the FDIC.

Complete Agreement. This Agreement is the complete and exclusive statement of the agreement between the parties concerning the commitments set forth in the Agreement, and supersedes all prior written or oral communications, representations and agreements relating to the subject matter of these paragraphs.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year indicated above.

FEDERAL DEPOSIT INSURANCE CORPORATION

By: _____

Title: _____

WELLPOINT, INC.

By: _____

Title: _____

ARCUS FINANCIAL HOLDING CORP.

By: _____

Title: _____

ARCUS FINANCIAL BANK (In-Organization)

By: _____

Title: _____