

A decorative graphic featuring a large, stylized, light-colored letter 'Q' in the background. Overlaid on the 'Q' is a white scroll with a black outline, containing the text '25th Anniversary' in a black serif font. The scroll is adorned with intricate, light-colored floral and scrollwork flourishes.

25th Anniversary

RECENT LICENSING
DECISIONS

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Cases Published during July, August, and September 2006

Community Reinvestment Act (CRA) Decisions

On September 15, 2006, the OCC approved an application filed by JPMorgan Chase Bank, NA, Columbus, Ohio, (JPMCB), to acquire certain assets and assume certain deposits of the Bank of New York, New York, New York. The OCC received comments from 11 community organizations, some requesting the application be denied and that a public hearing be held. The issues raised included assertions that JPMCB decreased service to low and moderate income communities, concerns over surcharges, potential branch closures, lending disparities, and concerns over certain products. After careful consideration, the OCC determined not to hold a public hearing. JPMCB reviewed and responded to the various comments. [CRA Decision No. 136]

On September 29, 2006, HSBC USA, Inc., received conditional approval to change the scope of activities of HSBC Trust Company (Delaware), National Association, Wilmington, Delaware (HTCD). HTCD plans to expand its activities from a limited purpose trust bank to include loans and deposits related to tax refunds (RAL). The conditions imposed include standard conditions as well as conditions addressing certain aspects of the RAL activities. The OCC did not receive public comments on this application, however, the FDIC received two comments asking them to extend the public comment period, deny the application and hold a public hearing. Although the OCC did not receive the comments, the OCC evaluated the comments received by the FDIC in reviewing the application. The majority of issues raised by the commenter were not directed at HTCD but other affiliated bank and non-bank entities. However, the commenter raised concerns over HTCD's plan to offer tax refund products. OCC concluded that the public comments did not reveal any evidence inconsistent with approval. [CRA Decision No. 137]

Business Combination

On July 13, 2006, the OCC granted conditional approval for State Bank, Lawson, Oklahoma, to merge with and into First National Bank & Trust Company, Shawnee, Oklahoma (the bank). The application was approved subject to the adoption by the Citizens Band Potawatomi Tribe and the bank of a resolution addressing federal banking agency jurisdiction over and the applicability of federal and other laws, rules and regulations relating to national banks to the Tribe and the bank,

and to activities and transactions between the Tribe and the bank, including an irrevocable waiver of sovereign immunity by the tribe and the bank and its affiliates. This condition is enforceable by 12 CFR 1818. [Conditional Approval No. 753]

Operating Subsidiary

On August 25, 2006, the OCC conditionally approved an application filed by HSBC Bank, N.A., Wilmington, Delaware, for its wholly owned operating subsidiary, HSBC Investment (USA) Inc. (HSBCI), to hold a limited equity interest in connection with investment management activities. HSBCI provides investment advisory services, including portfolio management, to investment companies and individual clients. HSBCI will now serve as managing member and advisor for HSBC Global Markets Equity Freestyle Fund. For its services, HSBCI will receive both a management fee and performance-based compensation. To receive a share of the profits, HSBCI needs to hold an interest in the fund. This interest will be in the form of a \$1,000 managing member capital contribution. The conditions imposed on the bank center on the bank making information available to OCC and implementing policies and procedures to control the various risks associated with the activity. [Conditional Approval No. 755]

On July 12, 2006, the OCC approved an application by Sunflower Bank, National Association, Salina, Kansas, to establish a wholly owned limited liability company by the name of Community Investment, LLC (Community). Community will help facilitate the purchase of Kansas State rehabilitation tax credits. State rehabilitation tax credits help facilitate economic development and preservation of historic properties. The bank will make loans to Community who will in turn purchase the tax credits. The bank will then use the credits to reduce its own tax liability or sell the credits to individuals and businesses. The applicant represents that these tax credits are fully transferable. OCC previously concluded that purchasing, holding and subsequent reselling of transferable state tax credits is a permissible activity for national banks. [Corporate Decision No. 2006-06]