



Comptroller of the Currency
Administrator of National Banks

Central District Office
One Financial Place, Suite 2700
440 South LaSalle Street
Chicago, Illinois 60605

December 11, 2001

**Conditional Approval #505
January 2002**

Mr. Thomas C. Blank, Esquire
Werner & Blank, Co. L.P.A.
7205 West Central Avenue
Toledo, Ohio 43617

Re: Application to convert Citizens Wealth Bank, Flint, Michigan to a national banking association whose authority is limited to providing fiduciary and ancillary services under the title of "CB Wealth Management, National Association."
(CAIS Control No. 01-CE-01-008)

Dear Mr. Blank:

The Comptroller of the Currency (OCC) has reviewed the application, dated October 3, 2001, to convert Citizens Wealth Bank, Flint, Michigan, to a national trust bank. After a thorough review of all information available, including the representations and commitments made in the application and the Citizens Wealth Bank representatives, we find that the application meets the requirements for conditional approval to convert to a national bank that will engage solely in fiduciary and ancillary activities as follows:

Title: CB Wealth Management, National Association
Location: 328 South Saginaw Street
Flint, Michigan 48502-1943

This conditional approval is based in part upon the institution's representation that, prior to conversion, the capital structure will be realigned to comply with the minimum requirements of 12 U.S.C. § 52 to the extent applicable. We also made our decision to grant conditional approval with the understanding that the proposed national bank will apply for membership in the Federal Reserve System and will not be FDIC-insured.

This conditional approval is subject to the following "conditions imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. § 1818 and, as such, are enforceable under 12 U.S.C. § 1818:

1. The Bank's initial paid-in capital, net of organizational and pre-opening expenses, shall be no less than \$2.6 million.
2. At all times, the Bank shall maintain a minimum of \$2.6 million in Tier 1 capital.
3. If the Bank fails to maintain Tier 1 capital in the amount of \$2.6 million, the Bank shall be deemed

“undercapitalized,” for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6, and the OCC shall have the authority to take any action authorized under all provisions of 12 U.S.C. § 1831o and 12 C.F.R. Part 6 applicable to an undercapitalized national bank. For purposes of section 1831o(e)(5), an action “necessary to carry out the purpose of this section” shall include restoration of the Bank’s capital so that it is not “undercapitalized,” and any other action deemed advisable by the OCC to address the Bank’s capital deficiency or the safety and soundness of its operations.

4. The Bank shall obtain prior non-objection from the OCC’s Assistant Deputy Comptroller for the Detroit Field Office before any significant deviation or change from the proposed operating plan occurs during the Bank’s first three years of operation. The Bank must notify the Assistant Deputy Comptroller for the Detroit Field Office at least sixty (60) days prior to any proposed significant deviation or change.
5. All transactions between the Bank and any affiliates, domestic or foreign, shall be conducted subject to the applicable provisions of 12 U.S.C. § 371c and c-1, or other applicable Federal law. The Board of Directors of the Bank annually shall review and approve the service agreements and any other transactions with domestic and foreign affiliates, including in particular, any cost allocation, fee-sharing or tax-sharing provisions in such agreements or other transactions.
6. The Bank must notify all potential vendors in writing of the OCC’s examination and regulatory authority under 12 U.S.C. § 1867(c). All final vendor contracts must stipulate that the performance of services provided by the vendors to the Bank is subject to the OCC’s examination and regulatory authority. The provisions of 12 C.F.R. Part 9 would be applicable to any fiduciary activities contracted out to vendors.

Please be advised that the OCC is currently reviewing its capital and liquidity policy with respect to national trust banks. Should there be a change to our policy as a result of the review, we will advise you accordingly.

The OCC also has reviewed and evaluated the Interagency Biographical and Financial Report Forms involving Gary P. Drainville, Dana A. Czmer, Robert J. Vitito, Michael A. Darby, John W. Ennest, Thomas C. Shafer, Ada C. Washington, and James L. Wolohan. Based on that and other information available to this Office, this letter conveys our intent not to disapprove the proposed appointments. These individuals may assume their director and/or executive officer positions upon conversion.

You are reminded that the following are required before the effective date of the conversion:

1. The institution must purchase adequate fidelity bond coverage in accordance with 12 C.F.R. 7.2013, which lists four factors the directors should consider to determine adequacy.
2. The board of directors must adopt and have in place policies, practices, and procedures to ensure the safe and sound operation of the Bank. The board also must review those policies, practices, and procedures continually and ensure bank compliance with them. We are enclosing the minimum policies and procedures applicable to national banks.
3. The limitations of the bank’s activities must be fully enumerated in the Bank’s Articles of Association. Specifically, the articles must state clearly that: 1) the business of the association will be limited to that

Page Three

December 11, 2001
Mr. Thomas C. Blank, Esquire
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of a national trust bank; and 2) the Bank must obtain the prior written approval before amending its Articles of Association to expand the scope of its activities and services.

4. The converting institution must obtain any other required regulatory approvals. Please provide is with a copy of your application to purchase Federal Reserve Bank stock.

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications.

The trust officers should become thoroughly familiar with “Fiduciary Activities for National Banks” at 12 C.F.R. Part 9 and 12 C.F.R. 5.26. Management is reminded that 12 C.F.R. 5.26 requires a national bank which already has approval to engage in fiduciary activities to provide written notice to the OCC when commencing fiduciary activities in a new state. Also, in addition to the independent annual audit requirement referenced in the enclosed standard requirements, the Bank will need to develop and implement a fiduciary audit program as required by 12 C.F.R. Part 9.

If the conversion is not consummated within six months from the date of the decision, conditional approval will be withdrawn. The OCC is opposed to granting extensions, except under the most extenuating circumstances and expects the conversion to occur as soon as possible. Upon conversion, please submit a letter certifying that you have completed all steps required to convert to a national banking association (sample enclosed). If you have any questions, please contact National Bank Examiner Travis W. Wilbert at (312) 360-8866.

This conditional approval, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the U.S., any agency or entity of the U.S., or an officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

Sincerely,

/s/

David J. Rogers
National Bank Examiner

Enclosures: Conversion Completed Certification Sample Letter
Minimum Policies and Procedures
Standard Requirements
12 CFR 9