

**OFFICE OF THRIFT SUPERVISION**

**Approval of Organization of a Federal de novo Stock Savings  
Bank and Application for Holding Company Acquisition**

**Order No.:** 95-186  
**Date:** November 3, 1995

Carolina Bancshares, Inc., Jasper County, South Carolina ("Applicant"), has applied for approval to establish and acquire a Federal stock savings bank to be known as Carolina Community Bank, to be located in Jasper County, South Carolina (the "Institution").

The Office of Thrift Supervision ("OTS") has evaluated the application to organize a Federal de novo stock savings bank pursuant to Section 5(e) of the Home Owners' Loan Act ("HOLA"), and 12 C.F.R. Section 552.2-1 thereunder, which require that the organizers be persons of good character and responsibility, that there be a need for the proposed institution in the community to be served, that there be a reasonable probability of the Institution's usefulness and success, and that there be no potential injury to properly conducted existing thrift and home-financing institutions; and has evaluated the application under the OTS's policy statement for establishment of de novo Federal institutions under 12 C.F.R. Section 571.6. In addition, the OTS has evaluated the Applicant's application to acquire the de novo Federal stock savings bank under Section 10(e) of the HOLA and 12 C.F.R. Section 574.7.

The OTS has taken into account the Applicant's proposed statement to meet the credit needs of the entire community the Institution will serve, including the low- and moderate-income neighborhoods therein.

The OTS has determined that the proposed organization and acquisition of the Institution would be in compliance with all applicable statutes and regulations, provided the conditions set forth below are satisfied. Accordingly, the applications are hereby approved provided that the following conditions are complied with in a manner satisfactory to the Southeast Regional Director, or his designee:

1. The Institution must receive all required regulatory approvals prior to the establishment of the Institution with copies of all such approvals supplied to the Southeast Regional Office;
2. There have been no substantial changes with respect to the Institution or the Applicant as disclosed in the information currently before the OTS, including but not limited to directors, shareholders, or the business plan of the Institution; and provided further, that no additional information having an adverse bearing on any feature of the applications has been brought to the attention of the Applicant or the OTS;

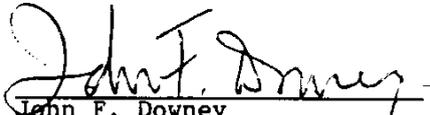
3. The Institution shall provide for employment of senior executive officers who shall be charged with full administrative and managerial responsibilities of the Institution under policies established by its board of directors. The performance of such individuals will be periodically reviewed and their continued employment will be subject to the Southeast Regional Director's approval for a period of three years;

4. No later than 10 calendar days from the date the Institution obtains insurance of accounts or opening of the Institution, whichever is later, the Institution and the Applicant shall file, with the Southeast Regional Office, a certification by legal counsel stating the effective date(s) of its insurance of accounts and its opening, and that the completion of the establishment and acquisition of the Institution by the Applicant has been consummated in accordance with the provisions of all applicable laws and regulations, the applications, and this Order;

5. The tax sharing agreement between the Applicant and the Institution must receive the prior written approval of the Southeast Regional Director; and

6. The Institution shall submit independent audit reports to the Southeast Regional Office for its first three fiscal years. These reports shall be in compliance with the audit rules set forth in 12 C.F.R. § 562.4.

By order of the Director of the Office of Thrift Supervision, or his designee, effective November 3, 1995.

  
John F. Downey  
Executive Director, Supervision