

OFFICE OF THRIFT SUPERVISION

**APPROVAL OF APPLICATIONS FOR PERMISSION TO
ORGANIZE A FEDERAL SAVINGS BANK
AND HOLDING COMPANY ACQUISITION**

ORDER NO.: 99-06

DATE: January 28, 1999

Platinum Bancshares, Inc., Rolling Meadows, Illinois, and Phyllis June Investments, Limited, Rolling Meadows, Illinois (together, the "Holding Company"), have applied for approval of the Office of Thrift Supervision (the "OTS") pursuant to 12 U.S.C. § 1464(e) and 1467a(e), and 12 C.F.R. §§ 552.2-1 and 574.3 for permission to organize and acquire Platinum Community Bank, Rolling Meadows, Illinois (the "Savings Bank") (collectively, "the Applications").

The OTS has considered the Applications under the factors set forth in 12 U.S.C. §§ 1464(e) and 1467a(e), and 12 C.F.R. §§ 543.3, 552.2-1, and 574.7 and other applicable statutes and regulations. The OTS also has considered the Applications under the Community Reinvestment Act, 12 U.S.C. § 2901 *et seq.*, and the OTS regulations thereunder, 12 C.F.R. Part 563e.

In addition, the OTS has considered a digest from the Central Regional Office, an analysis prepared by the Office of Examinations and Supervision and a legal opinion from the Business Transactions Division (collectively, the "Staff Memoranda"). For the reasons set forth in the Staff Memoranda, the Director finds that the Applications satisfy the applicable approval standards provided that the following conditions are complied with in a manner satisfactory to the Central Regional Director, or his designee ("Regional Director"). Accordingly, the Applications are hereby approved, subject to the following conditions:

1. The proposed transaction must be consummated no later than 120 calendar days after the date of this approval order, unless an extension is granted for good cause by the Regional Director;
2. On the business day prior to the date of consummation of the proposed transaction, the chief financial officer of the Savings Bank and the Holding Company must certify to the Regional Director, in writing, that no material adverse events or material adverse changes have occurred with respect to the financial condition or operations of the Savings Bank and the Holding Company, respectively, since the date of the financial statements submitted with the Applications;
3. The Savings Bank must obtain all required regulatory approvals prior to consummation, and will act to satisfy all requirements and conditions imposed by the OTS, and comply with all applicable laws, rules and regulations;
4. No later than 5 calendar days from the date of consummation of the proposed transaction, the Savings Bank must file with the Regional Director, a certification by legal counsel stating the effective date of the proposed transaction and of the Savings Bank's insurance of accounts,

and that the transaction has been consummated in accordance with the provisions of all applicable laws and regulations, the Applications and this order;

5. The Savings Bank must submit independent audit reports to the Regional Director for its first three fiscal years. These reports must be in compliance with the audit rules set forth in 12 C.F.R. Section 562.4;
6. The Savings Bank must operate within the parameters of its business plan. Any proposed major deviations or material changes from the plan, and in particular, those pertaining to cross-marketing or loans to the Savings Bank's affiliates, will require the Savings Bank to submit a revised business plan for the approval of the Regional Director. The request for change must be submitted a minimum of 30 days before the proposed change is implemented. The Savings Bank must submit to the Central Regional Office quarterly activity reports on the business plan for the first three years of its operations;
7. Any material deviation from the Community Reinvestment Act Plan must be submitted to the Regional Director for review and non-objection. The revised plan must be submitted no later than 30 days prior to the desired implementation date;
8. Prior to appointing any of the Savings Bank's remaining senior officers not disclosed in the Application, the Savings Bank shall must the individual's name and background information for review and non-objection by the Regional Director;
9. At least 30 calendar days before beginning operations, the Savings Bank must employ a Compliance Officer exclusively dedicated to the development, implementation and management of the Savings Bank's compliance program, including federal fair lending and consumer protection laws and regulations;
10. At least 30 calendar days before beginning operations, the Savings Bank must submit to the Regional Director for his review and approval, a comprehensive compliance management program that assures complete coverage of consumer compliance obligations imposed by OTS regulations and affords complete training to all persons engaged in the performance or oversight of the Savings Bank's compliance obligations;
11. Any contracts or agreements pertaining to transactions with affiliates not yet submitted to the OTS for review must be provided to the Regional Director and shall receive his written non-objection at least 30 calendar days prior to execution;
12. At least 40 percent of the Savings Bank's board of directors must be comprised of individuals who are not officers, employees or controlling shareholders of the Holding Company or affiliates thereof and at least one member of the Savings Bank's board of directors must be an individual who is not an officer, director, employee or controlling shareholder of the Holding Company or any affiliate and is not an officer, employee or controlling shareholder of the Savings Bank. At least 50 percent of the Savings Bank's audit and investment committees

must be comprised of individuals who are not officers, employees or controlling shareholder of the Holding Company or any affiliates and are not officers, employees or controlling shareholders of the Savings Bank;

13. Within 90 days of the date hereof the Platinum Bancshares, Inc. must bring the composition its board of directors into compliance with 12 C.F.R. Section 543.3(d)(2);
14. The Savings Bank and its affiliates must comply with the anti-tying restrictions of 12 U.S.C. Sections 1464(q) and 1467a(n) and must develop written procedures to effect such compliance. The procedures must disclose any propose bundling arrangements and must be submitted for the review and non-objection of the Regional Director within 30 calendar days of the date of this Order;
15. Any material increase in the total dollar amount of loans to be purchased by the Savings Bank from an affiliated mortgage company or the percentage of that purchase as compared to the entire volume of loans originated by an affiliated mortgage company must receive the prior approval of the Regional Director; and
16. The Savings Bank's Year 2000 Project Management Program must adhere to the terms, deadlines, requirements and conditions contained in the Year 2000 guidance issued by the OTS and/or the Federal Financial Institutions Examination Council ("FFIEC"), including the May 5, 1997 *FFIEC Year 2000 Project Management Awareness* statement, the December 17, 1997 *FFIEC Safety and Soundness Guidelines Concerning the Year 2000 Business Risk*, the March 17, 1998 *FFIEC Guidance Concerning Institution Due Diligence in Connection with Service Provider and Software Vendor Year 2000 Readiness*, the March 17, 1998 *FFIEC Guidance Concerning the Year 2000 Impact on Customers*, the April 10, 1998 *Guidance Concerning Testing for Year 2000 Readiness*, the May 13, 1998 *Guidance Concerning Contingency Planning in Connection with Year 2000 Readiness*, the May 13, 1998 *Guidance on Year 2000 Customer Awareness Programs*, the September 2, 1998 *Guidance Concerning Fiduciary Services and Year 2000 Readiness*, the October 15, 1998 interim *Interagency Guidelines Establishing Year 2000 Standards for Safety and Soundness* and companion interim rule, *Safety and Soundness Standards* and any subsequent OTS or FFIEC Year 2000 guidance, regulations or other requirements.

By Order of the Director of the Office of Thrift Supervision, or her designee, effective
JANUARY 28, 1999.


Richard M. Riccobono
Deputy Director