

**OFFICE OF THRIFT SUPERVISION**  
**Approval of Organization of**  
**a Federal De Novo Stock Savings Bank**

**Order No.** 99-16

**Date:** April 12, 1999

Twelve organizers ("Organizers") have applied to the Office of Thrift Supervision ("OTS") for permission to organize a Federal de novo stock savings bank to be known as 1st Service Bank, McLean, Virginia ("Institution"), pursuant to Section 5(e) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1464(e) and 12 C.F.R. § 552.2-1.

The OTS has considered the application under the standards set forth at 12 U.S.C. § 1464(e), and at 12 C.F.R. §§ 543.3 and 552.2-1, and other applicable regulations. In addition, the OTS has considered the digests prepared by the Southeast Regional Office and the Office of Examination and Supervision, and a legal opinion from the Business Transactions Division (collectively, the "Staff Memoranda"). Also, the OTS has considered the proposed transaction under the Community Reinvestment Act, 12 U.S.C. §§ 2901 et seq., and OTS regulations thereunder at 12 C.F.R. Part 563e, to the extent applicable.

For the reasons set forth in the Staff Memoranda, the OTS has concluded that the organization of the Institution would be in compliance with all applicable statutes and regulations. 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 ("Regional Director"):

1. The organization of the Institution must be completed no later than 120 days after the date of this approval order, unless an extension is granted for good cause by the Regional Director or his designee (Regional Director);
2. The Organizers must receive all required regulatory approvals prior to the establishment of the Institution with copies of all such approvals supplied to the Regional Director;
3. On the business day prior to opening for business, the Institution must advise the OTS that there have been no substantial changes with respect to the information currently before the OTS, including but not limited to directors, proposed shareholders or the business plan; and that no additional information having an adverse bearing on any feature of the application exists;
4. At least ten days prior to opening, the Institution must provide a list of the stockholders including names, addresses, number of shares and percentage of total shares. Any shareholders presumed to be acting in concert pursuant to 12 C.F.R. 574.4 should also be listed and the relationship disclosed;

5. The Institution must submit independent audit reports to the Southeast Regional Office 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. No later than five days from the date the Institution opens for business, it must file with the Regional Director a certification by legal counsel stating the effective date of the Institution's insurance of accounts and its opening, and that the completion of the establishment of the institution has been consummated in accordance with the provisions of all applicable laws and regulations, the applications, and the approval order;
7. No later than five days from the date the Institution opens for business, the chief financial officer must provide a reconciliation of capital for the Institution;
8. Mr. Chay is approved as a director of the Institution, pending receipt of FBI background clearance. The OTS retains the right to disapprove Mr. Chay after completion of our review; and
9. At least 30 calendar days before beginning operations, the Savings Bank must submit written evidence, acceptable to the Regional Director, that the Savings Bank's Year 2000 efforts comply with the terms, deadlines, requirements and conditions contained in all Year 2000 guidance issued by the OTS and/or the Federal Financial Institutions Examination Council.

Any time period specified herein may be extended by the Regional Director, for good cause, for up to 120 calendar days.

By order of the Director of the Office of Thrift Supervision, or her designee, effective  
*April 12<sup>th</sup>, 1999.*

  
Richard M. Riccobono  
Deputy Director