OFFICE OF THRIFT SUPERVISION

Approval of Assumption of Deposit Liabilities
and Acquisition of Related Assets

Order No.: 2000-41
Date: May 12, 2000

Wilmington Savings Fund Society, F.S.B., Wilmington, Delaware (the Savings Bank) has applied to the Office of Thrift Supervision (OTS) pursuant to 12 U.S.C. § 1828(c)(2) and 12 C.F.R. § 563.22 to assume certain Bank Insurance Fund (BIF) insured deposits of Mercantile Bank, N.A., St. Louis, Missouri (the Bank). In addition, CustomerOne Financial Network, Inc., Wilmington, Delaware (CustomerOne), an operating subsidiary of the Savings Bank, has applied to OTS pursuant to 12 C.F.R. § 563.22(c) to acquire certain assets of the Bank in the proposed transaction.

OTS has considered the applications under the standards set forth in 12 U.S.C. § 1828(c) and 12 C.F.R. § 563.22. OTS also has considered the applications under the Community Reinvestment Act (CRA), 12 U.S.C. § 2901 et seq., and OTS’s regulations thereunder, 12 C.F.R. Part 563e. In addition, OTS has considered the analyses prepared by the Office of Examination and Supervision and the Northeast Regional Office (Regional Office) and a legal opinion from the Business Transactions Division (collectively, the Staff Memoranda). For the reasons set forth in the Staff Memoranda, OTS finds that the applications satisfy the applicable approval standards, provided the following conditions are complied with in a manner satisfactory to the Northeast Regional Director, or his designee (Regional Director). Accordingly, the applications are hereby approved, subject to the following conditions:

1. The Savings Bank must receive and provide to the Regional Office copies of all required regulatory approvals prior to consummation of the proposed transaction;

2. The proposed transaction may not be consummated earlier than fifteen (15) calendar days after the date of this Order and must be consummated within one hundred and twenty (120) calendar days from the date of this Order or within such additional period as the Regional Director may grant;

3. On the business day prior to the date of consummation of the proposed transaction, the Chief Financial Officer of the Savings Bank must certify in writing to the Regional Director that
no material adverse changes have occurred with respect to the financial condition or operation of the applicants as disclosed in the application or the March, 1999 Thrift Financial report. In addition, should additional information having an adverse bearing on any feature of the application be brought to the attention of the Savings Bank or OTS since the date of the March 1999 Thrift Financial Report, the transaction shall not be consummated unless that information is presented to the Regional Director, and the Regional Director provides written non-objection to consummation of the transaction;

4. The Savings Bank must advise the Regional Office in writing within 5 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction; and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the application and this Order;

5. No later than 30 calendar days following the date of consummation, the Savings Bank must submit evidence that it has advised, in writing, each accountholder whose withdrawable accounts in the Savings Bank will exceed $100,000 as a result of the transaction of the effect of the transaction on their deposit insurance coverage;

6. No later than 60 calendar days following the date of consummation, the Savings Bank must submit detailed audit procedures for the foreign currency-denominated deposit line of business to the Regional Director;

7. The Savings Bank must review its Bank Secrecy Act policies as they relate to the foreign currency-denominated deposits and amend the policies if necessary to make them applicable to the line of business. No later than 60 calendar days following the date of consummation, the Savings Bank must submit its Bank Secrecy Act policies to the Regional Director; and

8. For the first two years after consummation, the Savings Bank must submit all internal audit reports concerning the foreign currency-denominated deposit line of business to the Regional Office.

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 May 12, 2000.

Scott M. Albinson
Managing Director
Office of Supervision