

OFFICE OF THRIFT SUPERVISION

ORDER APPROVING APPLICATION TO FORM A SERVICE CORPORATION

Order No.: 2001-04
Date: February 5, 2001
Re: Docket No. 04410

Sovereign Bank, Wyomissing, Pennsylvania (the Savings Bank), a federal savings bank, has filed an application with the Office of Thrift Supervision (the OTS) under 12 U.S.C. § 1828(m) and 12 C.F.R. Part 559, requesting approval for a newly created, wholly owned service corporation subsidiary, Sovereign Precious Metals, LLC (the Service Corporation), to engage in the business of precious metals financing.

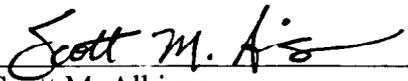
The OTS has considered the application under the factors set forth in 12 U.S.C. § 1828(m) and 12 C.F.R. Part 559. The OTS has considered an analysis prepared by the OTS Northeast Regional Office (the Regional Office), a legal opinion by the Business Transactions Division, and a summary by Examination Policy (collectively, the Staff Memoranda). For the reasons set forth in the Staff Memoranda, the OTS finds that the application satisfies all applicable approval standards, provided that the following conditions are complied with in a manner satisfactory to the Northeast Regional Director, or his designee (the Regional Director). Accordingly, the application is hereby approved, subject to the following conditions:

1. The Service Corporation must not deviate materially from any of the activities, facts or representations described in the application, except with the prior written non-objection of the Regional Director, or his designee;
2. The Service Corporation must commence operations no later than 60 calendar days from the date of the approval order, unless the Regional Director, or his designee, grants an extension; and
3. Within 30 calendar days of the capitalization of the Service Corporation, the Savings Bank must submit written notice to the Regional Director of the date and amount of the capital contributed to the Service Corporation.

Any time 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 his designee, effective

February 5, 2001.



Scott M. Albinson
Managing Director
Office of Supervision