

OFFICE OF THRIFT SUPERVISION

APPROVAL OF AN APPLICATION TO FORM A SERVICE CORPORATION

Order No.: 2001-66
Date: October 29, 2001
Docket No.: 04410

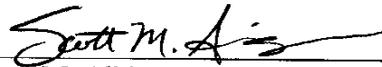
Sovereign Bank, Wyomissing, Pennsylvania (the Savings Bank), has applied to the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1828(m) and 12 C.F.R. Part 559, requesting approval for a newly created, wholly owned service corporation subsidiary, Sovereign Securities Corporation, LLC (the Service Corporation), to engage in securities brokerage, dealing and underwriting activities, as well as dealing in whole loans, certificates of deposit and interest rate futures.

OTS has considered the application under the factors set forth in 12 U.S.C. 1828(m) and 12 C.F.R. Part 559. In addition, OTS has considered a digest by the OTS Northeast Regional Office (the Regional Office), an analysis by Examination Policy, and a legal opinion issued by the Business Transactions Division (collectively, the Staff Memoranda). For the reasons set forth in the Staff Memoranda, OTS has determined 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 (Regional Director). Accordingly, the application is hereby approved, subject to the following conditions:

1. The Savings Bank must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals supplied to the Regional Office;
2. The Service Corporation must not materially deviate from any of the activities, facts or representations described in the application, except with the prior written non-objection of the Regional Director;
3. The Service Corporation must commence the operations proposed in the application within one year of the date of this approval order;
4. The Savings Bank must immediately notify OTS when it becomes aware of any investigation or proceeding into the Service Corporation's securities brokerage activities and practices; and
5. Within 30 calendar days of the establishment 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. The Savings Bank and Service Corporation must meet the requirements of 12 C.F.R. § 545.74(a)(4) and must submit the annual certifications to the attention of the Assistant Director of the Regional Office.

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

By order of the Director of the Office of Thrift Supervision, or her designee, effective October 29, 2001.



Scott M. Albinson
Managing Director
Office of Supervision