

OFFICE OF THRIFT SUPERVISION

APPROVAL OF AN APPLICATION TO FORM AN OPERATING SUBSIDIARY

Order No.: 2002-10
Date: March 19, 2002
Docket No.: 14594

First Market Bank, FSB, Memphis, Tennessee, (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 to establish an operating subsidiary, First Market Advisers, Inc., Richmond, Virginia (the Operating Subsidiary). The Operating Subsidiary is being established to provide investment advisory services.

The Operating Subsidiary will exercise investment discretion that would be subject to client guidelines for the amount and type of securities to be purchased. A portfolio manager will be assigned to each client or account and the account manager will be required to tailor asset mix, diversification and income to the particular needs of the client. The Operating Subsidiary does not intend to serve as a custodian for its clients' assets.

A federal savings association generally may invest in an operating subsidiary if: (1) the operating subsidiary engages only in activities permissible for federal associations to engage in directly; (2) the federal association owns, directly or indirectly, more than 50 percent of the voting shares of the operating subsidiary; and (3) no person or entity other than the federal association exercises operating control over the operating subsidiary. In addition, OTS may, at any time, limit a savings association's investment in operating subsidiary, or may limit or refuse to permit any activities of an operating subsidiary, for supervisory, legal, or safety and soundness reasons.

Federal savings associations, with OTS approval under the OTS Fiduciary Powers regulation, may provide investment advice, and may exercise investment discretion on behalf of another as a fiduciary. The Savings Bank's application for fiduciary powers was approved in 2001, and the Savings Bank currently engages in certain fiduciary activities permissible for a federal association. The Operating Subsidiary's proposed investment advisor activities are consistent with those approved for the Savings Bank in 2001.

The Savings Bank will hold all of the Operating Subsidiary's stock. The application indicates that the Savings Bank will have sole operating control over the Operating Subsidiary.

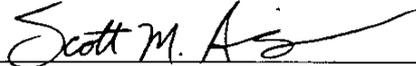
Based on the application, OTS concludes that the establishment of the Operating Subsidiary is not objectionable on safety and soundness or supervisory grounds. However, in order to ensure that the continued operation of the Operating Subsidiary does not create safety and soundness or supervisory concerns, OTS is conditioning its approval of the application.

For the reasons set forth above, OTS has determined that the application satisfies all applicable approval standards and criteria, provided that the following conditions are complied with in a manner satisfactory to the appropriate Regional Director, or his designee (together, the 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 proposed transaction must be consummated within 120 days from the date of this approval order;
3. On the business day prior to the date of consummation of the proposed transaction, the chief financial officers of the Savings Bank and the Operating Subsidiary 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 Savings Bank or the Operating Subsidiary as disclosed in the application, including but not limited to directors, shareholders, or the business plan. If additional information having a material adverse bearing on any feature of the application is brought to the attention of the Savings Bank, the Operating Subsidiary, or the OTS since the date of the financial information submitted with the application, the transaction must not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-objection to consummation of the transaction;
4. No later than five calendar days from the date of consummation of the transactions, the Savings Bank must file with the Regional Director a certification by legal counsel stating the effective date of the transactions, and that the transactions have been consummated in accordance with the provisions of all applicable laws and regulations, the application, all commitments provided in the application, and this Order;
5. The activities of the Operating Subsidiary must be conducted in accordance with the representations made in the application;
6. The Operating Subsidiary 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; and
7. The Operating Subsidiary must make available to OTS such information, as OTS deems necessary from time to time to monitor the Operating Subsidiary's activities and the effect of those activities on the safe and sound operations of the Savings Bank.

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 his designee, effective March 19, 2002.



Scott M. Albinson
Managing Director
Office of Supervision