

OFFICE OF THRIFT SUPERVISION

Approval of Operating Subsidiary Application

Order No. 2002-55

Date: November 26, 2002

Re: Docket No. 2984

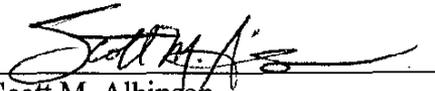
Wells Federal Bank, FSB, Wells, Minnesota (Savings Bank) has received permission from the Office of Thrift Supervision (OTS), by Order No. 2002-40, dated September 6, 2002, to organize two operating subsidiaries, Wells REIT Holding, LLC (Holding) and Wells Real Estate Investment Trust, LLC (REIT). The Savings Bank has filed supplemental materials (Supplemental Materials) stating that REIT will issue voting preferred stock, rather than non-voting preferred stock.

Order No. 2002-40 granted approval for the operating subsidiaries predicated upon a determination that the proposed activities are permissible for federal associations to engage in directly, and upon a determination that the ownership arrangements of voting and non-voting stock would satisfy the § 559.3(c)(1) requirements that the Savings Bank own, directly or indirectly, more than 50% of the voting shares of Holding and REIT, and that the Savings Bank have sole operating control of the subsidiaries. The Supplemental Materials necessitate a separate determination of compliance with § 559.3(c)(1).

The Supplemental Materials state that the Savings Bank will own, through its wholly-owned operating subsidiary, Holding, 100% of the outstanding common stock, and 80% of the voting preferred stock, of REIT. No other party will have operating control of REIT. Accordingly, the Application satisfies the requirements of § 559.3(c)(1), and the Application, as amended by the Supplemental Materials, is hereby approved, subject to the conditions set forth in Order No. 2002-40.

By order of the Director of the Office of Thrift Supervision, or his designee, effective

November 26, 2002.



Scott M. Albinson
Managing Director
Office of Supervision