



---

**Comptroller of the Currency  
Administrator of National Banks**

---

Southern District Licensing  
500 North Akard, Suite 1600  
Dallas, Texas 75201-3323

**Corporate Decision #2012-03  
February 2012**

January 27, 2012

Stephen D. Young  
Executive Vice President & COO  
CenterState Bank of Florida, N.A.  
1101 First St. South  
Winter Haven, Florida 33880

Re: Failure Acquisition of First Guaranty Bank & Trust Company of Jacksonville, Jacksonville, Florida; Control No. 2012-SO-02-0004

Dear Mr. Young:

The Office of the Comptroller of the Currency (“OCC”) approves the application of CenterState Bank of Florida, National Association, Winter Haven, Florida (“Acquirer”) to purchase certain assets of and assume certain liabilities of First Guaranty Bank & Trust Company of Jacksonville, Jacksonville, Florida (“Failed Entity”), for the reasons set below. As discussed below, the transaction may be consummated immediately upon approval. 12 U.S.C. § 1828(c)(6).

Failed Entity, a state non-member bank with deposits insured by the Federal Deposit Insurance Corporation (“FDIC”), was closed by the Florida Office of Financial Regulation on January 27, 2012, and the FDIC was appointed as receiver. The Comptroller has now been asked to grant his written approval of the proposed agreement negotiated between the FDIC and Acquirer by which the latter would purchase certain assets and assume certain liabilities of Failed Entity.

This approval is granted based upon the information contained in Acquirer’s application and other information and representations made to the OCC during its processing of the application.

The OCC also acknowledges the increase in the capital surplus of \$28,000,000 to the Acquirer. The increase is the result of a cash contribution from CenterState Banks, Inc. The capital contribution is certified and effective as of January 27, 2012.

The OCC approves your proposal to conduct fiduciary powers pursuant to 12 U.S.C. § 92a. The board of directors must provide for the establishment and administration of the trust department (or fiduciary operation) either through the adoption of amendments to the bylaws or by

appropriate resolutions. You will note that 12 C.F.R. § 9.4 places responsibility on the board of directors for the proper exercise of the bank's fiduciary powers. However, the board may decide whether it shall supervise the administration of all such powers directly or assign any function related to such powers to any director, officer, employee, or committee.

The board should also provide:

- A proper delineation of duties for trust officer(s) and committee(s).
- Adherence to the self-dealing and conflicts of interest provisions under 12 C.F.R. § 9.12.
- The designation of the officers or employees responsible for custody of the trust investments in conformity with 12 C.F.R. § 9.13(a).

The establishment and administration of the trust department may appear in the bylaws or in the board resolutions, or partly in the bylaws and partly in the resolutions. After adoption, a copy of those provisions should be furnished to the trust officer(s) for guidance.

Under separate cover, the OCC's Communications Division will mail to you booklets of the *Comptroller's Handbook* that pertain to asset management. The trust officers and staff should become thoroughly familiar with "Fiduciary Activities of National Banks" at 12 C.F.R. § 9.

### **The Purchase and Assumption**

Acquirer applied to the OCC for approval to purchase certain assets of and assume certain liabilities of Failed Entity under 12 U.S.C. §§ 24 (Seventh) and 1828(c) (the "Transaction"). The Acquirer and Failed Entity are located in Florida and all of the Failed Entity's branches are located in Florida. A national bank may acquire all or part of a depository institution through a purchase and assumption transaction under 12 U.S.C. § 24 (Seventh). Thus, the Transaction is legally authorized and the OCC approves the Transaction.

Acquirer also requested OCC approval to retain the branches of the Failed Entity upon consummation of the Transaction.

### **Bank Merger Act**

The OCC reviewed the proposed purchase and assumption Transaction under the criteria of the Bank Merger Act, 12 U.S.C § 1828(c), and applicable OCC regulations and policies. The OCC considered the financial and managerial resources of the banks, their future prospects, the convenience and needs of the communities to be served. In addition, the Bank Merger Act requires the OCC to consider "the effectiveness of any insured depository institution involved in the proposed merger transaction in combatting money laundering activities, including overseas branches." 12 U.S.C. § 1828(c)(11). We considered these factors and found them consistent with approval under the statutory provisions.

In addition, the OCC also finds, under the standards set forth in the Bank Merger Act that it must act on the application immediately. 12 U.S.C. § 1828(c)(3), (4)(C)(i), and (6). Consequently,

there is no requirement for publication of notice of the Transaction, for a request by the OCC of a competitive factors report from the Attorney General, or for a post-approval waiting period prior to consummation of the Transaction.

### **Community Reinvestment Act**

The Community Reinvestment Act (“CRA”) requires the OCC to take into account the applicants’ record of helping to meet the credit needs of the community, including low-and-moderate-income (“LMI”) neighborhoods, when evaluating certain applications, including transactions that are subject to the Bank Merger Act. 12 U.S.C. § 2903; 12 C.F.R. § 25.29. The OCC considers the CRA performance evaluation of each institution involved in the Transaction. A review of the record of these applicants and other information available to the OCC as a result of its regulatory responsibilities revealed no evidence that the applicants’ record of helping to meet the credit needs of their communities, including LMI neighborhoods, is less than satisfactory.

If the Acquirer is subject to loss-share provisions of purchase and assumption agreement with the FDIC, the Acquirer is reminded that future transactions involving the sale of these assets or the subsequent merger or change in control of the bank require prior FDIC approval.

### **Consummation Guidance**

This approval is granted based on our understanding that other applicable regulatory approvals, non-objections or waivers with respect to the proposed Transaction will have been received prior to the consummation of the Transaction.

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our approval is based on the bank’s representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have questions regarding this letter, please contact me at (214) 720-7052 or [brenda.mcneese@occ.treas.gov](mailto:brenda.mcneese@occ.treas.gov). Please reference the application control number in any correspondence.

Sincerely,

*Karen H. Bryant*

Karen H. Bryant  
Director for District Licensing