

March 31, 2025

**Conditional Approval #1336
April 2025**

John P. Greeley
Smith Mackinnon, PA
301 East Pine Street, Suite 750
Orlando, Florida 32801

Re: Substantial Asset Change, Reduction of Permanent Capital, and Merger with and into
Nonbank Affiliate Applications Submitted by Winter Park National Bank, Winter Park,
Florida
OCC Control Nos.: 2024-5.53-339381, 2024-Capital&Div-339380, and 2024-215a3-
339382
Charter No.: 25142

Dear Mr. Greeley:

The Office of the Comptroller of the Currency (OCC) hereby conditionally approves the above referenced applications (Applications) submitted by Winter Park National Bank, Winter Park, Florida (Bank) to (1) change the composition of its assets, (2) reduce permanent capital, and (3) then merge into a wholly owned operating subsidiary, WPNB, Inc. (WPNB). These approvals are granted after a thorough evaluation of the Applications, other materials supplied by the Bank's representatives, and other information available to the OCC, including the representations and commitments made in the Applications and during the application process. The OCC's approvals are subject to the conditions set out herein.

I. The Transactions

The Applications relate to a series of transactions pursuant to which the Bank seeks to terminate its national bank charter. First, the Bank will enter into a Purchase & Assumption (P&A) transaction with DFCU Financial, Dearborn, Michigan (DFCU) to sell or transfer substantially all of its assets and liabilities, including its insured deposits to DFCU.

Upon consummation of the P&A transaction, the Bank will request that the Federal Deposit Insurance Corporation (FDIC) terminate its deposit insurance pursuant to 12 USC 1818(p). Concurrently, the Bank will also complete a reduction of permanent capital through the repurchase of common stock shares in order to distribute most of its capital to its shareholders. Finally, once the FDIC has terminated the Bank's deposit insurance, the Bank will merge with and into WPNB, thereby terminating its national bank charter.

II. Discussion*A. Substantial Asset Change*

The Bank applied to the OCC for prior approval of a substantial asset change under 12 CFR 5.53. Pursuant to section 5.53(c)(1)(i), a national bank must obtain prior written approval of the

OCC before changing the composition of all, or substantially all, of its assets through sales or other dispositions. In the P&A transaction with DFCU, the Bank will transfer all or substantially all of its assets and all of its deposits.

The principal purpose of adopting 12 CFR 5.53 was to address supervisory concerns raised by so called “dormant” bank charters by providing the OCC with regulatory oversight and a means to monitor them. Following consummation of the P&A transaction, the Bank would become a “dormant” charter. The Bank, however, plans to merge into WPNB promptly after consummation of the P&A transaction and the termination of FDIC deposit insurance. Thus, OCC concerns over the continuation of “dormant” charters are addressed, and so OCC approval of the section 5.53 application is consistent with the language and purpose of section 5.53.

B. Reduction of Permanent Capital

The Bank applied to the OCC for prior approval to decrease its permanent capital under 12 CFR 5.46 in an amount of approximately \$97 million to be accomplished through a repurchase of most of the Bank’s shares of common stock. Pursuant to 12 USC 59, a reduction in capital stock requires approval by shareholders owning at least two-thirds of the bank’s capital stock and, if necessary, amendments to the Articles of Association. To determine whether to approve a proposed change to a bank’s permanent capital, the OCC considers whether the change is; consistent with law, regulation, and OCC policy thereunder; provides an adequate capital structure; and complies with the bank’s capital plan. The OCC reviewed the proposed reduction of permanent capital with respect to these factors and determined that approval is warranted.

C. Merger into WPNB under 12 USC 215a-3

In this merger, the Bank will merge into WPNB, which will be the surviving entity, and the Bank will cease to exist. The merger is authorized under 12 USC 215a-3. Section 215a-3 authorizes a national bank to merge with a nonbank subsidiary or affiliate: “Upon the approval of the Comptroller, a national bank may merge with one or more of its nonbank subsidiaries or affiliates.”¹ The statute does not limit its scope to mergers in which the national bank is the surviving entity, and so a merger *into* a nonbank affiliate is within its scope. The OCC’s implementing regulation, discussed below, expressly provides for mergers into a nonbank affiliate. However, the regulation limits these transactions to mergers involving a national bank that is not an insured bank. The Bank will not be an insured bank at the time of the merger.

The OCC’s regulations implementing 12 USC 215a-3 set out substantive and procedural requirements for the merger of an uninsured national bank with its nonbank affiliate in which the nonbank affiliate is the resulting entity.² The regulation requires that the law of the state or other

¹12 USC 215a-3(a), as added by section 1206 of the Financial Regulatory Relief and Economic Efficiency Act of 2000 (Title XII of the American Homeownership and Economic Opportunity Act of 2000), Pub. L. No. 106-569, 114 Stat. 2944, 3034 (December 27, 2000).

²12 CFR 5.33(g)(5).

jurisdiction under which the nonbank affiliate is organized allow the nonbank affiliate to engage in such mergers. WPNB is organized under the law of Florida, which permits domestic entities to merge with one or more domestic entities with WPNB as a survivor.³

The OCC regulation also requires that: (1) the national bank comply with the procedures of 12 USC 214a as if it were merging into a state bank, (2) the nonbank affiliate follow the procedures for mergers of the law of its state of organization, (3) shareholders of the national bank who dissent from the merger have the dissenters' rights set out in 12 USC 214a, and (4) the rights of dissenting shareholders and appraisal of the stock of dissenting shareholders in the nonbank affiliate shall be determined in the manner prescribed by the law of the state or other jurisdiction under which the nonbank affiliate was organized. The Bank is in the process of meeting applicable procedural requirements under section 214a and WPNB is in the process of complying with the procedures for mergers by Florida domestic entities.

The OCC's regulation also provides that the OCC shall consider the purpose of the transaction, its impact on the safety and soundness of the Bank, and any effect on the Bank's customers, and may deny a merger if it would have a negative effect in any such respect. The OCC reviewed the proposed merger with respect to these factors and determined that approval of the merger is warranted.

III. Conditions

These approvals are subject to the following conditions:

1. The reduction in permanent capital shall not occur until after consummation of the purchase and assumption transaction between the Bank and DFCU Financial.
2. The merger of the Bank with and into WPNB shall not occur until after all of the Bank's deposit accounts have been closed and the Bank's FDIC insurance of accounts has been terminated, and
3. If the merger of the Bank with and into WPNB does not occur within seven calendar days after the termination of FDIC deposit insurance, the Bank shall immediately notify the OCC and submit a plan to wind up its affairs and terminate its status as a national bank.

These conditions of approval are conditions "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

III. Consummation Guidance

The Licensing office must be advised in writing at least 10 days in advance of the desired effective date for the merger so that it may issue the necessary certification letter. The OCC will issue a letter certifying consummation of the transaction when we receive the following:

³ Florida Statutes Section 607.1101(2)

1. Written confirmation that the Bank is no longer FDIC insured.
2. Certification that the Bank's charter certificate and all OCC Reports of Examination have been returned to the OCC or destroyed.
3. Copies of any other required regulatory approvals, including approvals by the National Credit Union Administration, Federal Deposit Insurance Corporation, and the Michigan Department of Insurance and Financial Services of any related applications
4. A copy of the final statement of merger filed with the Florida Division of Corporations reflecting the merger of the Bank into WPNB.

These conditional approvals, 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. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

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.

If these transactions not consummated within six months from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

A separate letter is enclosed requesting your feedback on how we handled the referenced application. We would appreciate your response so we may improve our service. Please include the OCC control number on any correspondence related to this filing. If you have any questions, contact David Hanlon at (202) 450-0177 or david.hanlon@occ.treas.gov.

Sincerely,

/s/

Carolina M. Ledesma
Director for Licensing