



Comptroller of the Currency
Administrator of National Banks

Washington, D.C. 20219

January 28, 1998

Conditional Approval #271
February 1998

Robert L. Andersen
Senior Vice President
and Assistant General Counsel
First Union National Bank
One First Union Center
Charlotte, North Carolina 28288

Re: Application by First Union National Bank to Make Through an Operating Subsidiary a Minority, Noncontrolling Investment in Integrion Financial Network, L.L.C.
Application Control Number: 97-WO-08-0015

Dear Mr. Andersen:

This is in response to your operating subsidiary notice pursuant to 12 C.F.R. § 5.34 submitted on behalf of First Union National Bank, (Charter Number 22559) ("Bank") to engage in new activities in an existing operating subsidiary, Ironbrand Capital, L.L.C. ("Operating Subsidiary"). The Operating Subsidiary proposes to invest in a joint venture arrangement (the "Joint Venture") in a Delaware limited liability company, Integrion Financial Network, L.L.C. (the "LLC"), which provides home banking and other electronic financial services.

Previously, in my letter of December 4, 1996, the OCC approved conditionally the proposed formation of LLC.¹ Your letters of December 3, 1997, and December 30, 1997, state that the proposed investment by Operating Subsidiary conforms to the representations and descriptions contained in the Integrion Letter. You described in detail how the investment in LLC by Operating Subsidiary conforms to the four standards the OCC has established with respect to a national bank's direct or indirect ownership of a non-controlling interest in a limited liability company. You also commit that the Operating Subsidiary will conduct its activities according to the OCC policies and guidance issued in

¹ See, e.g., OCC Conditional Approval Letter No. 221 (December 4, 1996) ("Integrion Letter").

the Integrion Letter, as well as policies and guidance issued regarding these activities.² Operating Subsidiary will own approximately 5 percent of LLC.

The discussion in the Integrion Letter regarding the permissibility of non-controlling minority investments applies equally to Bank and its present proposal. On the basis of the representations specified in your notification letter and other submitted materials, the OCC finds that Operating Subsidiary may invest in the LLC and that the notification should be and is approved subject to the following conditions:

1. the LLC may engage only in activities that are part of, or incidental to, the business of banking;
2. the Bank will withdraw from the LLC in the event it engages in an activity that is inconsistent with condition #1;
3. the Bank will account for the investment in the LLC under the equity or cost method of accounting; and
4. the LLC will be subject to OCC supervision, regulation, and examination.

Please be advised that all conditions of this approval are “conditions imposed in writing by the agency in connection with the granting of any application or other request” within the meaning of 12 U.S.C. § 1818.

If you have any questions regarding this decision, please contact John Graetz or Crystal Maddox in Bank Organization and Structure at (202) 874-5060.

Sincerely,

/s/

Julie L. Williams
Chief Counsel

² In approving Bank’s request, the OCC approves only the same activities as approved in the Integrion Letter and based upon the same representations, agreements, and commitments. By making this application and accepting this approval, Bank is deemed to have made the same representations, commitments and agreements as were made by the applicant banks in the initial Integrion application. In addition, Bank represents that the Operating Subsidiary’s internal systems will be Year 2000 compliant within the time frames specified in OCC Advisory Letter 97-6 and other subsequent OCC issuances. Further, Bank represents that the Operating Subsidiary will perform due diligence to ensure that any third-party data processing service provider or purchased application or system it uses will also be Year 2000 compliant in accord with OCC issuances.