



**Conditional Approval #1095  
May 2014**

April 15, 2014

Michael N. White, Esq.  
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231 Riverside Drive  
Macon, Georgia 31201

Re: Application filed by Flint River National Bank to Change its Asset Composition: OCC Control No. 2013-HQ-5.53-136362; Notice for Voluntary Liquidation of a National Bank pursuant to 12 U.S.C. §§ 181 and 182 and 12 C.F.R. § 5.48; OCC Control No. 2013-HQ-Termination-136363; and Liquidation Dividend Request.

Dear Mr. White:

The Office of the Comptroller of the Currency (OCC) hereby approves the above referenced application, OCC Control No. 2013-HQ-5.53-136362 (Application), submitted pursuant to 12 C.F.R. § 5.53 by Flint River National Bank, Camilla, Georgia (Bank) to change the composition of its assets by the sale of substantially all of the Bank's assets to, and the assumption of substantially all of the Bank's liabilities by, Five Star Credit Union, Dothan, Alabama (Credit Union) (the Change in Assets Composition Transaction). In addition, Bank submitted a notice of Voluntary Liquidation (Notice) pursuant to 12 U.S.C. §§ 181 and 182 and 12 C.F.R. § 5.48. The OCC hereby provides its non-objection to the Notice. The approval and the non-objection is granted after a thorough evaluation of the Application and Notice, other materials supplied by the Bank's representatives, and other information available to the OCC, including commitments and representations made in the Application and Notice and during the processing of both transactions. The OCC approval and the non-objection is subject to the conditions set out herein.

The Bank is subject to a Consent Order dated March 12, 2012 (Consent Order). The OCC deems the Notice to be submitted pursuant to the Consent Order as: (i) a strategic plan pursuant to Article II of the Consent Order; and (ii) a capital plan pursuant to Article III of the Consent Order. In addition, the Bank submitted the above referenced Liquidation Dividend Request seeking permission to dividend substantially all of the Bank's assets remaining after the Change in Assets Composition Transaction to the Bank's holding company, Flint River Bancshares, Inc., Camilla, Georgia (Holding Company) (Liquidation Dividend Request). OCC-Special Supervision Division hereby provides its non-objection to: (i) the strategic plan; (ii) the capital plan; and (iii) the Liquidation Dividend Request, subject to the conditions set forth herein.

## **The Transactions**

The Change in Assets Composition Transaction is part of a series of transactions in which the Bank, pursuant to 12 U.S.C. §§ 181 and 182 and 12 C.F.R. §§ 5.48 and 5.53, proposes to sell substantially all of its assets to, and to transfer all of its insured deposits and substantially all of its other liabilities<sup>1</sup> to, the Credit Union. Following consummation of the Change in Assets Composition Transaction, the Bank intends to continue implementing the Voluntary Liquidation. The Bank plans initially to place the assets from the Change in Assets Composition Transaction in escrow with an independent, third-party institution. The assets in the escrow account will not be distributed to the Holding Company until the Bank has returned its charter and other identified materials (or provided certification of the destruction of the identified materials) to the OCC and the OCC has acknowledged the return of the charter. The Change in Assets Composition Transaction is subject to a separate approval by the Federal Deposit Insurance Corporation pursuant to the Bank Merger Act, 12 U.S.C. § 1828(c), the National Credit Union Administration (regarding insurance of accounts that are assumed by the Credit Union), and the Alabama State Credit Union Administration.

## **Discussion**

### **A. Change in Asset Composition and Voluntary Liquidation**

The Bank applied to the OCC for prior approval of a change in its asset composition under 12 C.F.R. § 5.53. Under 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. The OCC has reviewed the Application in accordance with applicable laws, regulations and OCC policy. Based on a thorough review of all available information, including representations and commitments made in the Application by the Bank's representatives, OCC has concluded that the Application satisfies the applicable approval standards, and hereby approves the Application. OCC approval is subject to the conditions set forth herein.

Based upon our review of the Bank's liquidation plan, OCC has no objection to the Bank proceeding with its liquidation plan, in compliance with the liquidation procedures of 12 U.S.C. §§ 181 and 182 and 12 C.F.R. § 5.48, subject to the conditions set forth herein.

### **B. Liquidation Dividend Request**

The Bank plans to dividend the assets in the escrow account to the Holding Company. We have reviewed the Liquidation Dividend Request and the proposed arrangements for an escrow

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<sup>1</sup> Certain identified liabilities, such as the payment of final regulatory (OCC and FDIC) assessment fees, will be funded by escrow accounts to be established at the closing of the Change in Assets Composition Transaction by the Credit Union for the benefit of the Bank. The final payment to the Bank's data processing contractor will be deducted from the proceeds of the Change in Assets Composition Transaction and paid directly to the contractor.

account. OCC hereby expresses no objection to the strategic plan, the capital plan, and the Liquidation Dividend Request, subject to the conditions set forth herein.

### **Conditions**

The approval of the Application and the non-objections to the Voluntary Liquidation, the strategic plan, the capital plan, and the Liquidation Dividend Request are subject to the following conditions:

1. Immediately following the consummation of the Change in Assets Composition Transaction, the Bank shall place its assets in an escrow account at an independent, third-party institution pursuant to an escrow agreement acceptable to the OCC.
2. The Bank may not cause the assets in the escrow account to be paid to the Holding Company until the Bank provides to the escrow agent a copy of the OCC letter acknowledging the Bank's return of its charter certificate to the OCC.

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 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

### **Closing Requirements**

The Bank must consummate the Change in Assets Composition Transaction no later than sixty calendar days from the date of this approval letter. On the business day prior to the date of the consummation of the Change in Assets Composition Transaction, the chief financial officer of the Bank must certify in writing to the Deputy Comptroller for Licensing (the Deputy Comptroller) that no material adverse events or material adverse changes have occurred with respect to the financial condition or operation of the Bank, as disclosed in the Application. In addition, on the business day prior to the date of the consummation of the Change in Assets Composition Transaction, the Bank must provide to OCC-Licensing a certification that the Bank has established the escrow in accordance with the above conditions, accompanied by a final copy of the escrow agreement. If additional information having a material adverse bearing on any feature of the Application is brought to the attention of the Bank or the OCC since the date of the financial statements submitted with the Application, the Bank must not consummate the Change in Assets Composition Transaction, unless the information is presented to the Deputy Comptroller. The Deputy Comptroller must provide written non-objection to consummation of the Change in Assets Composition Transaction.

The approval and non-objections set forth herein are granted based on our understanding that other regulatory approvals, non-objections or waivers with respect to the proposed transactions will have been received prior to consummation of the transactions. The OCC will not issue a letter acknowledging consummation of the Change in Assets Composition Transaction until the

below items are submitted to the Senior Licensing Analyst listed below, and are to the satisfaction of OCC-Licensing:

1. A Secretary's Certificate certifying that shareholder approvals of the Change in Assets Composition Transaction, the Voluntary Liquidation, and Liquidation Dividend Request have been obtained, if not previously submitted; and
2. Copies of all required regulatory approvals, non-objections, or waivers not previously submitted.

The OCC will not issue a letter acknowledging the consummation of the Voluntary Liquidation and termination of the charter until the below items are submitted to the Senior Licensing Analyst listed below, and are to the satisfaction of the OCC-Licensing:

1. Written confirmation that the Bank's deposit accounts are no longer FDIC-insured;
2. A Final Report of Liquidation; and
3. The Bank's charter certificate, along with the Bank's certification that all OCC Reports of Examination and the branch authorization letter, and all other similar documents, have been returned to the OCC, or destroyed.

If the Change in Assets Composition Transaction with the Credit Union is not consummated within sixty days from the approval date, the approval and non-objections will automatically terminate unless the OCC grants an extension of this time period.

The conditional approval, the non-objections, 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 and non-objections are 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 and non-objections if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which these approval and non-objections pertain. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

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If you have any questions, please contact Senior Licensing Analyst Carla Holiman at (202) 649-6339 or at [Carla.Holiman@occ.treas.gov](mailto:Carla.Holiman@occ.treas.gov), or Crystal Cook, Problem Bank Specialist, at (202) 649-6924 or [Crystal.Cook@occ.treas.gov](mailto:Crystal.Cook@occ.treas.gov). Please include the OCC control numbers on any correspondence.

Sincerely,

/s/

Stephen A. Lybarger  
Deputy Comptroller for Licensing

James R. Moore  
Director for Special Supervision