

## OFFICE OF THRIFT SUPERVISION

### Approval of Organization and Acquisition of a Federal De Novo Stock Savings Bank

Order No. 98-64

Date: June 22, 1998

Home Bancgroup, Inc., Hollywood, Florida (the "Holding Company"), has applied to the Office of Thrift Supervision ("OTS") to organize and acquire a federal de novo stock savings bank to be known as Home Federal Bank of Hollywood, Hollywood, Florida ("Institution"), pursuant to Sections 5(e) and 10(e) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. Sections 1464(e) and 1467a(e) and 12 C.F.R. Sections 552.2-1 and 574.3.

The OTS has considered the Applications under the standards set forth at 12 U.S.C. Sections 1464(e) and 1467a(e), and at 12 C.F.R. Sections 543.3, 552.2-1 and 574.7 and other applicable statutes and regulations. Also, the OTS has considered the proposed transactions under the Community Reinvestment Act ("CRA"), 12 U.S.C. Section 2901 et seq., and the OTS regulations thereunder at 12 C.F.R. Part 563e. In addition, the OTS has considered the digests prepared by the Southeast Regional Office and Corporate Activities, and a legal opinion from the Business Transactions Division (collectively, the "Staff Memoranda").

For the reasons set forth in the Staff Memoranda, the OTS has concluded that the Applications satisfy all applicable statutory and regulatory criteria, provided that the following conditions are complied with in a manner satisfactory to the Southeast Regional Director, or his designee ("Regional Director"). Accordingly, the Applications are hereby approved subject to the following conditions:

1. The Holding Company and the Institution must receive all required regulatory approvals prior to the establishment of the Institution with copies of all such approvals supplied to the Southeast Regional Office;
2. On the business day prior to the Institution's opening for business, the Holding Company must advise the Regional Director, in writing, that there have been no material adverse changes with respect to the information currently before the OTS, including but not limited to directors, proposed shareholders or the business plan; and that no additional information having a material adverse bearing on any feature of the Applications exists;
3. At least 10 calendar days before the Institution's opening, the Holding Company shall provide the Southeast Regional Office with a list of its shareholders, including names, addresses, number of shares purchased and percentage of total shares. Any individuals presumed to be acting in concert pursuant to 12 C.F.R. Section 574.4 should also be listed and all relationships disclosed;
4. No later than 5 days after opening for business, the Chief Financial Officer shall provide the Southeast Regional Office with a reconciliation of capital for both the Institution and the Holding Company;
5. No later than 10 calendar days from the later of receipt of insurance of accounts or the Institution's opening for business, the officers, organizers and directors must file with the

Regional Director a certification by legal counsel stating the effective date of the completion of the organization of the Institution, and that said completion of the organization of the Institution has been consummated in accordance with the provisions of all applicable laws and regulations (including state and federal securities law requirements), the Applications, and this Order;

6. The Institution shall submit independent audit reports to the Southeast Regional Office for its first three fiscal years. These reports shall be in compliance with the audit rules set forth in 12 C.F.R. Section 562.4;
7. The Institution's permanent chief lending officer shall be subject to the prior review and nonobjection of the Regional Director;
8. The Institution shall operate within the parameters of the submitted business plan. Any proposed major deviations or material changes from the submitted plan shall receive the prior written approval of the Regional Director. The request for approval shall be submitted a minimum of 30 days before the proposed change is anticipated;
9. Any changes that the Institution initiates to its CRA plan within the three year period after opening for business shall be subject to the approval of the Regional Director; and
10. The Savings Bank's Year 2000 Project Management Program must adhere to the terms, deadlines, requirements and conditions contained in the Year 2000 guidance issued by the OTS and/or the Federal Financial Institutions Examination Council ("FFIEC") including the May 5, 1997 *FFIEC Year 2000 Project Management Awareness* statement, the December 17, 1997 *FFIEC Safety and Soundness Guidelines Concerning the Year 2000 Business Risk*, the March 17, 1998 *FFIEC Guidance Concerning Institution Due Diligence in Connection with Service Provider and Software Vendor Year 2000 Readiness*, the March 17, 1998 *FFIEC Guidance Concerning the year 2000 Impact on Customers*, the April 10, 1998 *Guidance Concerning Testing for Year 2000 Readiness*, the May 13, 1998 *Guidance Concerning Contingency Planning in Connection with Year 2000 Readiness*, the May 13, 1998 *Guidance on Year 2000 Customer Awareness Programs* and any subsequent OTS or FFIEC Year 2000 guidance, regulations or other requirements.

Any time period specified herein may be extended by the Regional Director, for good cause, for up to 120 calendar days.

By order of the Director of the Office of Thrift Supervision, or her designee, effective June 22, 1998.

  
Richard M. Riccobono  
Deputy Director