



July 22, 2014

**Corporate Decision #2014-05
August 2014**

Mr. Dan Nelson
AVP, Corporate Services
14091 Baxter Drive, Suite 117
P.O. Box 2947
Baxter, Minnesota 56425

Re: RiverWood Bank, Bemidji, MN, Charter No. 700566
Application to Engage in a New Activity in an Existing Service Corporation
OCC Control No. R3-2014-0020

Dear Mr. Nelson:

This is in response to the application filed by RiverWood Bank (Bank) on March 11, 2014. The Bank proposes to transfer a real estate investment participation interest to its existing service corporation, First Federal Service Corporation (FFSC). While the proposed new activity is permissible under 12 CFR 159.4(e)(1), the Bank failed to file the required application prior to making the real estate investment.

This application was filed in order to correct the violation and comply with application requirements. We remind you that failure to file the required applications may lead to enforcement actions or monetary penalties under 12 USC 1818. The Office of the Comptroller of the Currency (OCC) will consider the full spectrum of penalties and remedies if any violations of laws and regulations occur in the future.

Based on a thorough review of all information available, including the representations and commitments made in the application and by Bank's representatives, the OCC approves the Bank's plan to engage in a new activity through its existing service corporation, FFSC.

Pursuant to 12 CFR 159.4(e)(1), service corporations may engage in the acquisition of real estate for prompt development or subdivision, for construction of improvements, for resale or leasing to others for such construction, or for use as manufactured home sites, in accordance with a prudent program of property development. In reviewing an application for a new activity in an existing service corporation, the OCC must consider whether the new activity is permissible and whether any new investment made in the service corporation is within the limits outlined in 12 CFR 159.5. We considered these factors in our review of the Bank's application and found them consistent with approval.

Mr. Dan Nelson,
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This approval applies only to the specific transaction as described in the application; if FFSC seeks to engage in additional investment in real estate, or in other activities, a notice is required under 12 CFR 159.11. The Bank is also reminded that under the existing regulatory condition imposed in writing in the merger approval dated January 17, 2013, the Bank: i) must provide the Minneapolis Field Office with sixty days prior notice of the Bank's intent to significantly deviate or change from its business plan or operations; and (ii) shall obtain the OCC's written determination of no objection before engaging in any significant deviation or change from its business plan or operations.¹

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 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.

All correspondence and documents concerning this transaction should reference the control number. We have enclosed a letter requesting your feedback on how we handled your application. We would appreciate your response to improve our service.

If you have any questions, contact Licensing Analyst Valarina Oliver-Dumont at (312) 360-8886 or e-mail Valarina.Dumont@occ.treas.gov.

Sincerely,

signed

Stephen A. Lybarger
Deputy Comptroller, Licensing

Enclosure

¹ If such deviation is the subject of an application filed with the OCC, the OCC does not require further notice to the supervisory office.