

OFFICE OF THRIFT SUPERVISION

APPROVAL OF HOLDING COMPANY ACQUISITION

ORDER NO.: 95-158

DATE: August 18, 1995

New USTC Holdings Corporation, New York, New York (the "Holding Company"), has filed an application (the "Application") seeking approval of the Office of Thrift Supervision ("OTS") to acquire U.S. Trust Company of Florida Savings Bank, Palm Beach, Florida (the "Savings Bank"), a federal stock savings association, pursuant to Section 10(e) of the Home Owners' Loan Act and 12 C.F.R. § 574.3. In addition, the Savings Bank has provided notice to the OTS, pursuant to 12 C.F.R. § 563.134, of a proposed dividend of \$5 million in cash in connection with the proposed transaction.

The Director or his designee (the "Director") has considered the Application under the factors set forth in 12 U.S.C. § 1467a(e) and 12 C.F.R. § 574.7. In addition, the Director has considered protests to the Application submitted by Inner City Press/Community on the Move and Kenneth H. Thomas, Ph.D., as well as digests from the Southeast Regional Office, Compliance Policy and Corporate Activities, and a legal opinion from the Business Transactions Division, and other information within the possession of the OTS regarding the Savings Bank, such as the 1993 and 1995 examinations of the Savings Bank regarding the Savings Bank's performance under the Community Reinvestment Act. Based on the aforesaid information, the Director finds that the Application satisfies the applicable approval standards under 12 U.S.C. § 1467a(e) and 12 C.F.R. § 574.7, provided that the conditions set forth below are satisfied.

In addition, the OTS has considered the Application under the Community Reinvestment Act, 12 U.S.C. § 2901 et seq., and OTS regulations thereunder, 12 C.F.R. Part 563e, and has considered the materials referenced above. Based on these materials, the OTS finds that approval of the Application is consistent with the Community Reinvestment Act and OTS regulations thereunder.

Accordingly, the Application is hereby approved, subject to the following conditions:

1. The Holding Company must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals supplied to the OTS Southeast Regional Office;
2. Prior to consummation of the proposed transaction, the Holding Company shall provide evidence to the Regional Director that it has received a favorable ruling from the Internal Revenue Service regarding the tax-free treatment of the transaction;

3. The proposed acquisition of the Savings Bank shall be consummated no later than 120 calendar days from the date of this Order;
4. On the business day prior to the date of consummation of the proposed transaction, the chief financial officers of the Holding Company and the Savings Bank shall certify to the Southeast Regional Director, in writing, that no material adverse events or material adverse changes have occurred with respect to the financial condition or operations of the Holding Company and the Savings Bank, respectively, since the date of the financial statements submitted with the applications;
5. No later than five calendar days from the date of consummation of the acquisition of the Savings Bank, the Holding Company shall file with the Southeast Regional Director a certification by legal counsel stating the effective date of the acquisition, the exact number of shares of stock of the Savings Bank acquired and that the acquisition has been consummated in accordance with the provisions of all applicable laws and regulations, the Application, the Agreement and Plan of Reorganization, and this letter;
6. The Savings Bank, U.S.T. Securities Corp. and U.S.T. Financial Services (and any other affiliate of the Savings bank that acts as a securities broker or securities dealer) ("Securities Affiliate") must be operated as separate legal entities so that: (1) their respective accounts and records are not intermingled; (2) each observes the procedural formalities of separate legal entities; (3) each is held out to the public as a separate enterprise; and (4) neither dominates the other to the extent that one is treated as a department of the other;
7. A majority of the Savings Bank's board of directors must not be comprised of individuals who are directors or employees of any Securities Affiliate;
8. The Savings Bank and any Securities Affiliate are prohibited from sharing common officers unless prior approval is obtained from the Southeast Regional Director; in determining whether to grant such approval, the Regional Director shall consider criteria such as regulatory compliance, experience, character, integrity and the ability to perform both duties;
9. ~~The Savings Bank and any Securities Affiliate must take measures to ensure that their officers and directors adhere~~

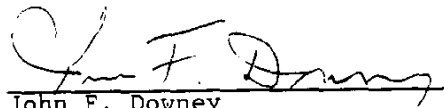
to the principles set forth in OTS policy statements on conflicts of interest, 12 C.F.R. § 571.7, usurpation of corporate opportunity, 12 C.F.R. § 571.9, and any additional or successor statements of policy or regulation addressing these subjects. The officers and directors of the Savings Bank and any Securities Affiliate are prohibited from using their influence to: (1) take advantage of a business opportunity for the securities affiliate's benefit when the opportunity is of present or potential advantage to the Savings Bank; or (2) place the securities affiliate in a position that leads to, or could create the appearance of, a potential conflict of interest; and

10. The Savings Bank, the Holding Company, and any Securities Affiliate are subject to the provisions of 12 C.F.R. § 563.76, Offers and Sales of Securities at an Office of a Savings Association, and related policy established in Thrift Bulletins 23-2, Interagency Statement on Retail Sales of Nondeposit Investment Products, and 23a, Limited Exceptions to prohibitions on Sales of Savings Institution's Securities, and any additional or successor statements of policy or regulations addressing these subjects.

In addition, the Director hereby advises the Savings Bank that the Director does not object to the Savings Bank's proposed dividend under 12 C.F.R. § 563.134.

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

By Order of the Acting Director of the Office of Thrift Supervision, or his designee, effective August 18, 1995.



John F. Downey  
Director of Supervision