

OFFICE OF THRIFT SUPERVISION

APPROVAL OF APPLICATIONS FOR CONVERSION TO FEDERAL SAVINGS  
BANK CHARTER AND HOLDING COMPANY ACQUISITION

ORDER NO.: 97-43

DATE: April 30, 1997

Ameribank, Inc., Welch, West Virginia (the "Bank"), seeks approval of the Office of Thrift Supervision (the "OTS") pursuant to 12 U.S.C. § 1464 and 12 C.F.R. §§ 552.2-1 and 552.2-6 for permission to convert from a West Virginia-chartered commercial bank to a federal savings bank (the "New FSB"). In addition, American Bankshares, Inc., Welch, West Virginia and JMS/ATX Limited Partnership, Welch, West Virginia (the "Holding Companies"), seek approval under 12 U.S.C. § 1467a(e) and 12 C.F.R. § 574.3 to acquire the New FSB; and Mr. James Sutton seeks approval under 12 U.S.C. § 1467a(e)(4) to acquire a controlling interest in New FSB while serving on the board of directors of Eastern Bancorp, Inc., Dover, New Hampshire (collectively, "the Applications.")

The Director or his designee (the "Director") has considered the Applications under the factors set forth in 12 U.S.C. § 1467a(e) and 12 C.F.R. §§ 552.2-1, 552.2-6 and 574.7. In addition, the Director has considered a digest from the Northeast Regional Office, an analysis prepared by Corporate Activities and a legal opinion from the Business Transactions Division, and based on the aforesaid information, the Director finds that the Applications satisfy the applicable approval standards, provided that the conditions set forth below are satisfied.

In rendering this approval, the OTS also has considered the Applications under the Community Reinvestment Act, 12 U.S.C. § 2901 et seq., and the 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 applications is consistent with the Community Reinvestment Act and OTS regulations thereunder.

Accordingly, the Applications are hereby approved, subject to the following conditions:

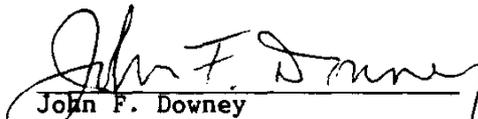
1. The proposed transaction shall be consummated no later than 120 calendar days after the date of this approval order, unless an extension is granted for good cause by the Northeast Regional Director, or his designee ("Regional Director");
2. On the business day prior to the date of consummation of the proposed transaction, the chief financial officer of the Bank and the Holding Companies shall certify to the 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 Bank and the Holding Companies, respectively, since the date of the financial statements submitted with the Applications;

3. The Bank will obtain all required regulatory and shareholder approvals prior to consummation, and will act to satisfy all requirements and conditions imposed by the OTS, and comply with all applicable laws, rules and regulations;
4. No later than 5 calendar days from the date of consummation of the conversion, the New FSB shall file with the Regional Director, a certification by legal counsel stating the effective date of the conversion and that the conversion has been consummated in accordance with the provisions of all applicable laws and regulations, the application and this order;
5. Within 90 days of the date of this Order, New FSB shall establish a formal review system including quarterly classifications of assets, as required by OTS regulations;
6. New FSB shall continue to have an annual portfolio review performed by an external third party until otherwise notified by the Northeast Regional Office; and
7. Within 90 days of the date of this Order, New FSB shall submit an acceptable tax sharing agreement to the Northeast Regional Office.

In connection with the proposed transactions, New FSB has applied to the OTS, pursuant to 12 U.S.C. § 1467a(m)(2)(A) for a limited exception from the minimum actual thrift investment percentage requirement contained in 12 U.S.C. § 1467a(m)(1).

After considering the merits of the request, the OTS has determined that extraordinary circumstances exist within the meaning of § 1467a(m)(2)(A). As such, the OTS hereby grants a temporary and limited exception to the requirements of § 1467a(m)(1). The New FSB's QTL measuring cycle will not begin until October 1, 1997.

By Order of the Director of the Office of Thrift Supervision, or his designee, effective April 30, 1997.

  
John F. Downey  
Executive Director, Supervision