

OFFICE OF THRIFT SUPERVISION
Approval of Organization of
a Federal De Novo Stock Savings Bank

Order No. 98-107

Date: October 9, 1998

Nine organizers have applied to the Office of Thrift Supervision ("OTS") for permission to organize a Federal de novo stock savings bank to be known as The Commercial Savings Bank of Western Maryland, Cumberland, Maryland ("Institution"), pursuant to Section 5(e) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1464(e) and 12 C.F.R. § 552.2-1.

The OTS has considered the application under the standards set forth at 12 U.S.C. § 1464(e), and at 12 C.F.R. §§ 543.3 and 552.2-1. 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"). Also, the OTS has considered the proposed transaction under the Community Reinvestment Act, 12 U.S.C. §§ 2901 et seq., and OTS regulations thereunder at 12 C.F.R. Part 563e, to the extent applicable.

For the reasons set forth in the Staff Memoranda, the OTS has concluded that the organization of the Institution would be in compliance with all applicable statutes and regulations. Accordingly, the applications are hereby approved, including the purchase of up to 14.3 percent of the shares offered in the initial public offering by Richard C. Deckerhoff, provided that the following conditions are complied with in a manner satisfactory to the Southeast Regional Director, or his designee ("Regional Director"):

1. The Organizers shall receive all required regulatory approvals prior to the establishment of the Institution with copies of all such approvals supplied to the Regional Director;
2. On the business day prior to opening for business, the Institution must advise the OTS that there have been no substantial 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 an adverse bearing on any feature of the application exists;
3. At least ten days prior to opening, the Institution shall provide a list of the stockholders including names, addresses, number of shares and percentage of total shares. Any individuals presumed to be acting in concert pursuant to 12 C.F.R. 574.4 should also be listed and the relationship disclosed;
4. 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;

5. No later than five days from the date the Institution opens for business, it shall file with the Regional Director a certification by legal counsel stating the effective date of the Institution's insurance of accounts and its opening, and that the completion of the establishment of the institution has been consummated in accordance with the provisions of all applicable laws and regulations, the applications, and the approval order;
6. No later than five days from the date the Institution opens for business, the chief financial officer shall provide a reconciliation of capital for the Institution;
7. The Institution shall operate within the parameters of the submitted business plan. Any proposed major deviations or material changes from the submitted plan, including those pertaining to the level of capital, must receive the prior written approval of the Regional Director. The request for approval shall be submitted at least thirty days before the proposed change is anticipated;
8. Prior to opening, the organizers shall submit to the Regional Director for review and approval a copy of the final lease and an appraisal which demonstrates that the lease is fair to and in the best interest of the Institution;
9. The Organizers shall form a credit committee which will be responsible for overseeing the institution's loan operations and ensuring that all extensions of credit comply with the institution's policies and all applicable regulations;
10. If requested to do so by the Regional Director during the first year of operations, the organizers will provide for the employment of a qualified, full-time chief lending officer, who will be subject to the prior approval of the Regional Director; and
11. The Institution'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

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Connection with Year 2000 Readiness, the May 13, 1998 Guidance on Year 2000 Customer Awareness Programs, the September 2, 1998 Guidance Concerning Fiduciary Services and Year 2000 Readiness 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 October 9, 1998.


Richard M. Riccobono
Deputy Director