

OFFICE OF THRIFT SUPERVISION
Approval of Service Corporation Application

Order No. 2000-32
Date: March 27, 2000

Chevy Chase Bank, F.S.B., McLean, Virginia, (Savings Bank) has applied to the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. §§ 1464(n) and 1828(m) and 12 C.F.R. Parts 550 and 559, to form three service corporations (Service Corporations). One of the Service Corporations, Chevy Chase Asset Management Company, a shell company, will control the other two Service Corporations, Chevy Chase Trust Company, National Association (National Bank), a limited purpose national bank, and New ASBCM Capital Management, Inc. (Investment Advisor), which will engage in investment advisory activities. Under certain circumstances, described in the application, the Savings Bank would not form the National Bank, but would form the other Service Corporations.

The OTS has considered the application under the standards set forth at 12 U.S.C. §§ 1464(c)(4)(B) and 1464(n), and 12 C.F.R. Parts 550 and 559. In addition, the OTS has considered the digests prepared by the Southeast Regional Office and the Office of Examination and Supervision, 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 establishment of the service corporations would comply with all applicable statutes and regulations. Accordingly, the application is hereby approved, provided that the following conditions are complied with in a manner satisfactory to the Southeast Regional Director, or his designee (Regional Director):

1. The Savings Bank and the Service Corporations must receive all required regulatory approvals, and file documents demonstrating such approvals with the OTS prior to consummation of the transaction;
2. The Savings Bank must promptly notify the Regional Director in writing of the consummation date of the transaction;
3. Within 30 days after consummation of the transaction, the Savings Bank must report to the Regional Director, on behalf of the Service Corporations, the number of the Trust Bank's accounts and asset volume (broken down by category), and provide detailed balance sheets regarding the Service Corporations; and
4. Unless prior notification is provided to the Regional Director, the Savings Bank must

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exercise its previously granted trust powers only through ownership of the Trust Bank and the Investment Advisor, as described in the application.

By order of the Director of the Office of Thrift Supervision, or her designee, effective
March 27, 2000.



Scott M. Albinson
Managing Director
Office of Supervision