



Office of the Comptroller of the Currency

Interpretations - Conditional Approval #218

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September 30, 1996

Ms. Lynn L. Lanigan
Vice President and Assistant Secretary
Union Planters Corporation
P.O. Box 387
Memphis, Tennessee 38147

Re: Proposal from Union Planters National Bank, Memphis, Tennessee, to merge with Leader Federal Bank for Savings, Memphis, Tennessee, and purchase the assets and assume the liabilities of four DeSoto County, Mississippi branches and two CBCTs of Union Planters Bank of Mississippi, Grenada, Mississippi and one DeSoto County, Mississippi branch of Union Planters Bank of Northwest Mississippi, Clarksdale, Mississippi

Application Control Numbers: 96-SE-02-0033 and 96-SE-02-0035

and

Proposal from Union Planters Bank of Middle Tennessee, National Association, Nashville, Tennessee, to purchase and assume the assets and liabilities of four branches of Union Planters National Bank, Memphis, Tennessee

Application Control Number: 96-SE-02-0034

Dear Ms. Lanigan:

The Comptroller of the Currency ("OCC") has approved your proposal to merge Leader Federal Bank for Savings, Memphis, Tennessee ("Leader Federal") with and into Union Planters National Bank, Memphis, Tennessee ("UPNB") under the charter and title of the latter. The OCC also approved the proposal for UPNB to purchase and assume the liabilities of four DeSoto County, Mississippi branches and two CBCTs of Union Planters Bank of Mississippi and one DeSoto County, Mississippi branch of Union Planters Bank of Northwest Mississippi. A copy of the OCC's Decision Document is enclosed.

Pursuant to 12 U.S.C. 24 Seventh and 1828(c) the OCC approves the proposal for Union Planters Bank of Middle Tennessee, National Association, Nashville, Tennessee ("Middle Tennessee") to purchase and assume the liabilities of four branches of UPNB located in the cities of Nashville, Hendersonville, and Brentwood, Tennessee.

This approval is granted based on a thorough review of all information available, including representations made by you and your representatives in the applications, subsequent correspondence and telephone conversations.

Also, the OCC has approved UPNB's request to hold a certain non-conforming real estate development property located in Memphis, Tennessee, which is currently held by Leader Enterprise, Inc. You may retain the non-conforming asset up to five years as you work to dispose of the property. As detailed in your application, you have represented that Leader Enterprises, Inc. has ceased its activities and following the merger it will transfer the non-conforming asset to UPNB and the corporate charter of Leader Enterprises Inc. will be terminated. For Call Report purposes, this non-conforming real estate should be considered "Other Assets."

In connection with the merger, the OCC approves the retention of the following operating subsidiaries engaged in activities permissible for national banks:

- Leader Services, Inc. engages in insurance activities. The permissible activities, credit life, accident and disability insurance extended in connection with extensions of credit will remain with Leader Services, Inc. You have represented that at consummation of the merger, the insurance activities that are not permissible for national banks will be transferred to a subsidiary of an affiliated state bank.
- Leader Funding Corporation I and Leader Funding Corporation III, hold mortgage-backed securities and issue collateralized mortgage obligations.
- Leader Leasing, Inc. engages in the origination of financing leases of medical, industrial, and communications equipment to commercial customers. You have represented that following the merger, all of these activities will be transferred to UPNB and the charter of Leader Leasing, Inc. will be terminated and that the leasing offices will be at branches of UPNB.
- Leader Federal Mortgage, Inc. "Leader Mortgage" engages in originating, servicing, buying, and selling residential and construction loans. As described in the application and related materials submitted by you, Leader Mortgage will not engage in branching activities at non-branch sites. You have represented that Leader Mortgage has two joint ventures, one operating and one proposed, structured as Limited Liability Companies ("LLCs"), which will be engaged in mortgage banking activities. As described in the application, the operating subsidiary is legally permitted to hold the minority interests in the LLCs, Southeastern Mortgage of Alabama, L.L.C., headquartered in Birmingham, Alabama, and ASMI Mortgage Bankers, L.L.C., headquartered in Indianapolis, Indiana. The approval to hold the LLCs is subject to the following conditions:
 1. Southeastern Mortgage of Alabama, L.L.C., ASMI Mortgage Bankers, L.L.C., and Leader Mortgage will engage only in activities that are part of or incidental to the business of banking;
 2. The Bank, through Leader Mortgage, will have veto power over any activities and major decisions of the LLCs that are inconsistent with condition (1), or will withdraw from the LLCs in the event they engage in an activity that is inconsistent with that condition.
 3. The Bank will account for the investment in the LLCs under the equity method of accounting; and
 4. The LLCs will be subject to OCC regulation, supervision, and examination.

Please be advised that all conditions of the approval for the operating subsidiary to hold an interest in the LLCs are "conditions imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. 1818.

The operating subsidiaries are subject to, and must be operated within the constraints of all national

banking laws, rulings, and regulations. UPNB is reminded that it must obtain the OCC's prior approval before any of its operating subsidiaries can engage in new activities, consistent with 12 CFR 5.34.

Please be advised that the OCC also authorizes UPNB and Middle Tennessee, should the merger and purchase and assumptions occur between Call Report dates, to recalculate their legal lending limit. The new lending limit should be calculated by using data from the last Call Report of the individual banks filed prior to consummating the proposals, as adjusted for the merger and the purchase and assumptions. UPNB and Middle Tennessee will then file a new Call Report and begin calculating their legal lending limit according to 12 CFR 32.4(a) at the end of the quarter following consummation of the merger and purchase and assumptions.

You are reminded that UPNB must maintain the liquidation account that was established as a result of Leader Federal's conversion from a mutual to a stock institution.

Our Southeastern District Office should be advised of the desired effective date for the merger and the purchase and assumptions so that the OCC may issue the necessary certification and authorization letters. The effective date must be on or after the date of this letter.

The OCC will issue a letter authorizing the institutions to consummate the transactions when we receive: 1) a Secretary's Certificate for each institution, certifying approval by a majority of the board of directors; 2) executed merger and purchase and assumption agreements with Articles of Association for the resulting banks attached; and 3) for the merger, a Secretary's Certificate from each institution, certifying that the shareholder approvals have been obtained.

If the proposals are not consummated within twelve months from the approval date, the approvals shall automatically terminate unless the OCC grants an extension of the time period.

If you have any questions, please contact me at (202) 874-5060 or Debra Burke in our Southeastern District at (404) 588-4525.

Sincerely,

/s/

Troy L. Dixon

Director for Corporate Activity
Bank Organization and Structure