



Comptroller of the Currency
Administrator of National Banks

Corporate Decision #97-113
December 1997

December 30, 1997

Mr. J. Stephen Hamilton, President
State Bank of La Crosse
401 Main Street
La Crosse, WI 54602-0159

Re: Applications to convert State Bank of La Crosse, La Crosse, Wisconsin, to a national banking association with the title of "First National Bank of La Crescent" and to relocate the resulting national bank to La Crescent, Minnesota
Application Control Numbers: 97-MW-01-0037 and 97-MW-07-0038

Dear Mr. Hamilton:

This is to inform you that on December 30, 1997, the Office of the Comptroller of the Currency ("OCC") approved the above-referenced applications. After a thorough review of all information available, we found that the Bank's request meets the requirements for preliminary approval to convert to a national banking association as follows:

Title: First National Bank of La Crescent

Location: 401 Main Street
La Crosse, Wisconsin

The OCC has also approved the Bank's request to relocate its main office from 401 Main Street, La Crosse, Wisconsin, to the northwest corner of the intersection of Walnut and Second Streets, La Crescent, Houston County, Minnesota, with no branch retention in Wisconsin. This main office relocation is legally authorized under 12 U.S.C. § 30. The plain language of Section 30 clearly permits a national bank to relocate its main office to any location within 30 miles of the city in which the main office is located. Judicial decisions have consistently upheld the authority of national banks to relocate their main office across state lines where no branches are retained in the state of the former main office. See *Synovus Financial Corporation v. Board of Governors of the Federal Reserve System*, 952 F.2d 426, 428 & n.1, 435 (D.C. Cir. 1991); *McEnteer v. Clarke*, 644 F.Supp. 290 (E.D. Pa. 1986). Moreover, the recent interstate branching law did not alter the authority of national banks to relocate their main offices across state lines, but only the scope of their power to retain branches in the state from which the bank was relocating. See Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, Pub. L. No. 103-328, 108 Stat. 2338, § 102(b) (adding new sections 12 U.S.C. §§ 30(c) & 36(e)(2)).

Mr. Stephen Hamilton
State Bank of La Crosse
Application Control Number: 97-MW-01-0037
Page 2

These approvals are granted based on a thorough review of all information available, including representations and commitments made in the applications and by the bank's representatives. As represented in the application, it is understood that these transactions will be effected substantially simultaneously, with the conversion occurring subsequent to the sale of all Wisconsin-related assets to an interim bank, including all operating subsidiaries, and the relocation occurring subsequent to the conversion.

Prior to or as of the date of conversion:

1. The Bank must obtain any other required regulatory approvals,
2. The Bank must apply for membership in the Federal Reserve Bank in accordance with 12 CFR 209.
3. The Bank must purchase adequate fidelity bond coverage in accordance with 12 CFR § 7.2013, which lists four factors the directors should consider to determine adequacy.
4. The directors must own qualifying shares prior to conversion to a national banking association in conformance with 12 U.S.C. 72 and 12 CFR 7.2005.
5. If a director, officer, employee, or principal shareholder of the bank (including an entity in which such person owns an interest of 10 percent or more) is involved in the sale of credit life insurance to loan customers, the Bank should ensure compliance with 12 CFR 2, which among other things, prohibits a covered person from retaining commissions or other income from the sale of credit life insurance connected with any loan the bank makes.

Upon completion of the above requirements, please submit to the Midwestern District Office a letter certifying that you have completed all steps required to convert and relocate the bank. Your notification should include the following documents if they have not already been submitted: A Secretary's Certificate certifying shareholders' approval of the proposed conversion and relocation; executed Articles of Association with the required amendments; Bylaws; Organization Certificate properly signed and executed; Oath(s) of directors; List of directors; and, Certification that you have applied for membership in the Federal Reserve System in accordance with 12 CFR 209.

The Midwestern District Office should be advised of the effective date for the transactions, so that the OCC may issue the necessary certification letters authorizing the conversion and relocation. At that time, you will receive the charter certificate. In addition, the OCC will send you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected publications.

Mr. Stephen Hamilton
State Bank of La Crosse
Application Control Number: 97-MW-01-0037
Page 3

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

Please note that it is expected that the Bank's internal systems will be Year 2000 compliant within the time frames outlined in Advisory Letter 97-6 (enclosed) or other subsequent OCC Year 2000 guidance. In addition, it is expected that the Bank will perform due diligence to ensure that any third-party data processing servicers or purchased applications or systems from software vendors will also be Year 2000 compliant. In the event that the Bank selects a servicer or vendor which is not Year 2000 compliant, the bank should ensure that the servicer or vendor has a Year 2000 compliance plan, and the financial and managerial capacity to complete its Year 2000 conversion project within the time frames outlined in Advisory Letter 97-6 or other subsequent OCC Year 2000 guidance.

All correspondence regarding these applications should reference the application control numbers. If you have any questions concerning this letter, please contact me at (202) 874-5060 or Senior Corporate Analyst Jill K. Kennard in our Midwestern District Office at (816) 556-1860.

Sincerely,

/s/

Troy L. Dixon
Director for Corporate Activity
Bank Organization and Structure

Enclosure: OCC Advisory Letter 97-6