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**Comptroller of the Currency  
Administrator of National Banks**

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Bank Organization and Structure, 3-8  
250 E Street, S.W.  
Washington, DC 20219

**Corporate Decision #97-91  
November 1997**

OCC Control Nr. 97-ML-02-0028

October 14, 1997

Mr. Robert L. Klivans  
Assistant General Counsel  
Law Office (01-19-04)  
Bank of Boston, N.A.  
P.O. Box 1864  
Boston, Massachusetts 02105-1864

Dear Mr. Klivans:

This is to inform you that the Office of the Comptroller of the Currency (OCC) has granted preliminary approval to merge Bank of Boston Connecticut (“BKBCT”), Hartford, Connecticut, into BankBoston, N.A. (“BKB”), Boston, Massachusetts. Approval of the merger is granted subject to the following:

1. If the merger is not consummated within one year from this date, our preliminary approval will automatically terminate unless this Office has granted an extension.
2. BKB must dispose of any nonconforming assets acquired from BKBCT as soon as practicable. Immediately prior to the desired consummation date, BKB shall furnish the OCC a list briefly identifying the nature of each nonconforming asset and its book value. Subsequent to the merger, BKB shall make a semiannual report to the OCC’s Examiner-in-Charge, detailing the progress made in disposing of those assets.
3. You must advise this Office in writing at least ten days before the desired effective date for the merger so that the OCC may issue the necessary certification letter. The effective date must be after the date of this letter.

We will not issue a letter certifying consummation of the transaction until we have received:

1. A Secretary’s Certificate for each applicant institution certifying that a majority of each board of directors has agreed to the proposed merger.
2. An executed merger agreement with Articles of Association for the resulting bank attached.

3. A Secretary's Certificate from each institution certifying that shareholder approvals have been obtained.

The OCC also authorizes the resulting bank, should the merger occur between Call Report dates, to recalculate its 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 merger, as adjusted for the combination. The resulting bank will then file a new Call Report and begin calculating its legal lending limit according to 12 C.F.R. § 32.4(a) at the end of the quarter following consummation of the merger.

As discussed with you earlier, the OCC removed the concurrently pending Pacific National Bank merger application from our expedited review procedures in light of comments received from residents of Woods Hole, Massachusetts. Those comments discussed the Bank's operation of the sole branch in that community. Originally targeted for closure, the Bank, in response to community concerns, agreed earlier this year to keep the branch open on a seasonal basis. We note that the Bank has also recently extended the period the site is open by six weeks and met privately with the concerned parties. However, we also note that some Woods Hole residents remain concerned about the availability of financial services in their community.

As a result, the OCC has performed a targeted investigation of the Bank's corporate policy on branch closings and record of closings/openings subsequent to the completion of our last CRA examination (October, 1996).

Based upon our examiner's review, we concluded that a closure of the Woods Hole branch would have been in conformity with the Bank's branching policy; that branch closings/openings occurring under that corporate policy have equally affected all income levels of census tracts; and, the Bank's branch network continues to provide reasonable financial service access to the Bank's CRA assessment areas.

Our letters to the Woods Hole residents submitting the adverse comments, describing the results of the targeted investigation are incorporated herein by reference with copies attached for your convenience.

A separate letter is enclosed requesting your feedback on how we handled your application. We would appreciate your response so we may improve our service. If you have questions, please call Cindy L. Hausch-Booth, Senior Licensing Analyst at (202) 874-4610. Please include the application control number in all correspondence.

Sincerely,

/s/

Richard T. Erb  
Licensing Manager

Attachments



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250 E Street, S.W.  
Washington, DC 20219

**ATTACHMENT A**

October 14, 1997

Ms. Suzanne Kuffler  
49 Gosnold Road  
Woods Hole, Massachusetts 02543-1110

Dear Ms. Kuffler:

This is in response to your earlier comments to Messrs. Richard Erb and Stephen Davey concerning BankBoston, N.A.'s operation of its sole branch in Woods Hole. We removed two pending merger applications filed by BankBoston from our expedited review procedures, until we had the opportunity to investigate the issues you raised. We understand that the Bank and members of the community have continued to correspond and have met to discuss the services the Bank will provide at its Woods Hole branch.

Specifically, you are concerned that the now seasonal operation of this formerly year-round branch will not meet the financial service needs of Woods Hole residents. You have also stated that, due to limited commercial space, the continued operation of this seasonal branch poses an obstacle to residents' ability to recruit a financial institution willing to operate a year-round branch.

Please note that in response to issues raised by you and others in the Woods Hole community, our national bank examiners performed a targeted investigation of the Bank's corporate policy on branch closings and its record of closing and opening branches subsequent to the completion of our last Community Reinvestment Act examination (October, 1996). The goal of that investigation was to determine the adequacy of the Bank's policy and whether its actual practices in opening and closing branches are in conformance to that policy. Our examiners reviewed the Bank's corporate policy and the documentation used by management to support their decisions including decisions affecting the Woods Hole branch.

The investigation discovered that the Woods Hole branch's deposit levels have declined steadily over the last five years; that the number of teller transactions was markedly lower on an average monthly basis than all other branches in the Falmouth area; and, that there was a significant decrease in transaction volume after August. This last fact tends to confirm the seasonality of the site's market area.

More generally, based upon our examiner's review, we concluded that the Bank's branching policies are detailed and comply with OCC guidelines; the Bank's practices have conformed to those policies; the complete closure of the Woods Hole branch would have been in conformity with those policies; the Bank's branch closings and openings occurring under those corporate

policies have equally affected all income levels of census tracts.

Further, we also note that branch closings and consolidations after the acquisition of BayBank, N.A. have resulted in a branch network with marginally more branches in low and moderate income areas on a percentage basis than in 1996, and, the Bank's branch network continues to provide reasonable financial service access to the Bank's CRA assessment areas.

Our most recent CRA examination of BankBoston, N.A. was finalized as of January 5, 1997. At that time we determined that the Bank had an outstanding record of performance. We are not aware of any other more recent information, including the results of the special investigation, that would suggest the Bank's record of performance has declined.

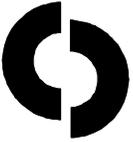
Based on the above, we concluded that the approval of the two pending applications was not inconsistent with the Community Reinvestment Act or other statutory or regulatory policies.

Please feel free to call me at (202) 874-5060 if you have any questions.

Sincerely,

/s/

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



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**Comptroller of the Currency  
Administrator of National Banks**

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Bank Organization and Structure, 3-8  
Washington, D.C. 20219-0001

**ATTACHMENT B**

October 14, 1997

Mr. James W. Mavor, Jr.  
P.O. Box 24  
Woods Hole, MA 02543

Dear Mr. Mavor, Jr.:

This responds to your letter of July 26, 1997, to Eugene A. Ludwig, Comptroller of the Currency, concerning BankBoston, N.A.'s operation of its sole branch in Woods Hole. Since receiving your letter, BankBoston filed two merger applications with our office. We removed the applications from our expedited review procedures, until we had the opportunity to investigate the issues you raised. We understand that the Bank and members of the community have continued to correspond and have met to discuss the services the Bank will provide at its Woods Hole branch.

Specifically, you are concerned that the now seasonal operation of this formerly year-round branch will not meet the financial service needs of Woods Hole residents. You have also stated that, due to limited commercial space, the continued operation of this seasonal branch poses an obstacle to residents' ability to recruit a financial institution willing to operate a year-round branch.

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More generally, based upon our examiner's review, we concluded that the Bank's branching policies are detailed and comply with OCC guidelines; the Bank's practices have conformed to those policies; the complete closure of the Woods Hole branch would have been in conformity with those policies; the Bank's branch closings and openings occurring under those corporate policies have equally affected all income levels of census tracts.

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Please feel free to call me at (202) 874-5060 if you have any questions.

Sincerely,

/s/

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