



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

Northeastern District
1114 Avenue of the Americas, Suite 3900
New York, NY 10036-7780

November 22, 1999

**Conditional Approval #348
February 2000**

Mr. Robert F. Stoico
President and CEO
FIRSTFED AMERICA BANCORP, INC.
ONE FIRSTFED PARK
Swansea, Massachusetts 02777

**Re: Application to charter an uninsured national trust bank with the title
“FIRSTFED TRUST COMPANY, National Association” to be located in Swansea,
Massachusetts
Application Control Number: 1999 NE 01 0019**

Dear Mr. Stoico:

The Office of the Comptroller of the Currency has reviewed your application to establish a new national trust bank located in Swansea, Massachusetts, with the title of FIRSTFED TRUST COMPANY, National Association (“Bank”), and with an office in Rhode Island. The Bank will engage solely in fiduciary activities. After a thorough evaluation of all data available to the OCC, we found that your proposal met the requirements for preliminary conditional approval.

We have based our decision to grant preliminary conditional approval on a thorough review of all information available, including representations and commitments made in the application by the organizers and their representatives, including your letter dated November 16, 1999, relating to proposed capitalization of the national trust bank and pledging requirements. We also made our decision to grant preliminary conditional approval with the understanding that the proposed national trust bank will not be insured by the FDIC and the expectation that the proposed bank will purchase capital stock in the Federal Reserve System.

The operating plan, including any revisions, will provide a context for the supervisory review at the pre-opening examination. Major deviations from the plan or changes in the composition of the board of

directors, or ownership, or chief executive officer that the OCC has not approved may result in withdrawal of preliminary conditional approval.

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This charter approval is conditioned upon the Bank being capitalized at \$3 million and maintaining a minimum of \$2 million in Tier 1 capital at all times, except if a higher amount is required by state law. Please be advised that this condition of approval shall be deemed to be a condition “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(b)(1). This condition is enforceable under 12 U.S.C. §1818 as specifically applied to uninsured national banking associations under section 1818(b)(5).

You may establish the corporate existence of the national bank and begin organizing the bank as soon as you adopt and forward to this office, the Articles of Association and an Organization Certificate. As a body corporate, or legal entity, you may begin to take those steps necessary for obtaining final approval, but you may not accept any appointment as fiduciary until you fulfill all the requirements for a bank in organization and final approval is granted (see Corporate Organization Booklet enclosed).

The trust officers and staff should become thoroughly familiar with “Fiduciary Activities of National Banks” at 12 CFR 9 and 12 CFR 5.26.

Management is reminded that 12 CFR 5.26 requires a national bank which already has approval to engage in fiduciary activities to provide written notice to the OCC when commencing fiduciary activities in a new state.

Enclosed are procedural requirements that must be met before the bank will be allowed to commence business. Please note that some of the requirements referenced in the enclosed package may not be applicable since the bank’s activities will be limited to those of a national trust bank. It is the responsibility of management to ensure that the applicable policies and procedures are established and adopted by the Board of Directors before the bank commences business.

We specifically noted that the Bank has represented to the OCC that internal systems will be Year 2000 compliant within the time frames outlined in Advisory Letter 97-6 or other subsequent OCC Year 2000 guidance. In addition, 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.

We require that, prior to opening, the bank must engage an independent, external auditor in accordance with generally accepted auditing standards of sufficient scope to enable the auditor to render an opinion on the financial statements of the bank (or consolidated entity) taken as a whole.

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The audit period shall commence on the date that the organizing group forms a body corporate and may end on any calendar quarter-end no later than 12 months after the bank opens. We expect that such audits will be performed on an annual basis for at least five years following commencement of operations. The bank will also need to have an annual independent fiduciary audit as required by 12 CFR 9. Engagement of an auditor will be verified during the pre-opening examination.

The OCC has no objection to the following persons serving as directors and executive officers of the proposed bank:

<u>Name</u>	<u>Proposed Position</u>
Robert F. Stoico	President, Chief Executive Officer and Director
Edward A. Hjerpe, III	Executive Vice President, Chief Operating Officer, Chief Financial Officer and Director
Kevin J. McGillicuddy	Director
Frederick R. Sullivan	Director
Paul W. Whyte	Director
Robert N. Gaumont	Senior Vice President, Managing Director

Additional executive officers are subject to the prior review and clearance of the OCC. Also please note that OCC requires that you obtain prior approval of additions or changes in directors or executive officers for two years after the bank opens for business.

Please forward the completed forms for the first phase of the organization to the OCC within 30 days.

The OCC will send you an appropriate set of OCC handbooks, manuals, issuances, and selected other publications under separate cover.

Any questions concerning this preliminary conditional approval should be directed to Linda Leickel, Licensing Analyst, Northeastern District, at (212) 790-4055.

Very truly yours,

/s/

Michael G. Tiscia
Licensing Manager