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Comptroller of the Currency  
Administrator of National Banks

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Southeastern District  
Marquis One Tower, Suite 600  
245 Peachtree Center Ave., N.E.  
Atlanta, Georgia 30303

June 21, 2000

**Conditional Approval #405  
July 2000**

Mr. Michael L. McMullen  
Chief Executive Officer  
Citizens National Bank of Southwest Florida  
3401 Tamiami Trail, North  
Naples, Florida 34103

Re: Fiduciary Powers Application 2000-SE-12-0102 and  
Operating Subsidiary Application 2000-SE-08-0025

Dear Mr. McMullen:

This is to advise you that the Office of the Comptroller of the Currency granted conditional approval today to your application under 12 CFR §§ 5.26 and 5.34 to conduct fiduciary powers pursuant to 12 USC 92a through an operating subsidiary to be known as Citizens Capital Management, Inc. ("CCM").

This approval is granted subject to the following conditions:

Prior to the OCC issuing a permit to commence trust activities, the bank must submit to the Licensing Manager in the Southeastern District Office for approval, the name and qualifications of a trust administrative officer. The bank shall give this officer authority to make trust policy recommendations directly to the Trust Committee. This officer shall also be responsible for ensuring that trust policies established by the Trust Committee and the bank's Board of Directors are implemented. Further, this individual shall report to a party other than the designated trust department head. For a two-year period following commencement of trust activities, OCC approval is required prior to any change in the OCC-approved trust administrative officer.

These requirements are necessary to ensure that CCM will be headed by an individual who has sufficient knowledge of and expertise in trust administration principles, who has policy-making responsibility, and who is independent of the head officer of CCM

The conditions of this approval are conditions "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 USC §1818. As such, the conditions are enforceable under 12 USC §1818.

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In addition, the board of directors should provide for the establishment and administration of the fiduciary operation either through the adoption of amendments to the bylaws or by appropriate resolutions. You will note that 12 CFR §9.4 places responsibility on the board of directors for the proper exercise of the bank's fiduciary powers. However, the board may decide whether it shall supervise the administration of all such powers directly or assign any function related to such powers to any director, officer, employee, or committee.

The board should also provide:

- A proper delineation of duties for trust officer(s) and committee(s);
- The pledging of securities to secure trust funds on deposit in the bank as required by 12 CFR 9.10(b);
- The designation of the officers or employees responsible for custody of the trust investments in conformity with 12 CFR 9.13(a); and
- The deposit of securities with state authorities where required by local law, according to 12 CFR 9.14.

The establishment and administration of the trust activities may appear in the bylaws or in the board resolutions, or partly in the bylaws and partly in the resolutions. After adoption, a copy of those provisions should be furnished to the trust officer(s) for guidance.

Under separate cover, the OCC Communications Division will mail to you booklets of the *Comptroller's Handbook* that pertain to fiduciary activities. The trust officers and staff should become thoroughly familiar with "Fiduciary Activities of National Banks" at 12 CFR Part 9 (copy enclosed).

OCC's approval of the bank's proposed trust administrative officer will include a permit to conduct the fiduciary powers requested in your application. The fiduciary activities must begin within 18 months of that approval, unless we grant an extension. If the bank decides to surrender its fiduciary powers at some time in the future, it should notify the OCC in accordance with 12 CFR 9.17(a).

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If you have any questions, please contact Senior Bank Structure Analyst Louis Gittleman at (404) 588-4525.

Sincerely,

**-signed-**

John O. Stein  
Licensing Manager