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Comptroller of the Currency  
Administrator of National Banks

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Northeastern District Office  
1114 Avenue of the Americas, Suite 3900  
New York, N.Y. 10036

Licensing Division  
Telephone No.: 212.790.4055  
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## **Corporate Decision #2001-24 September 2001**

August 17, 2001

Mr. Mark DeFazio  
President  
Metropolitan National Bank  
Two Park Avenue, 14<sup>th</sup> Floor  
New York, New York 10016

Re: Charter No.:23576  
Control No.:2001-NE-08-0030

Dear Mr. DeFazio:

This will acknowledge receipt of your operating subsidiary notice ("Notice") dated August 10, 2001, informing the Office of the Comptroller of the Currency ("OCC") of the acquisition of "Cashzone, LLC" ("Cashzone") by Metropolitan National Bank ("Bank"), effective July 31, 2001. Cashzone is a wholly-owned subsidiary of the Bank, organized as a New York limited liability company. The Notice qualifies for after-the-fact procedures at 12 C.F.R. §5.34(e)(5).

We understand that Cashzone engages in activities permitted under 12 C.F.R. §5.34(e)(5)(v)(C) and (G). Cashzone's corporate office is at the Bank's main office address above and its administrative operations are at 152 Madison Avenue, 2<sup>nd</sup> Floor, New York, New York 10016.

The specific activities Cashzone will perform are the following:

(1) general check cashing services, either by means of an automated banking machine ("ABM") or through services of a Cashzone employee behind a window at Staffed Locations, to customers who become Cashzone Members in accordance with the application procedures described fully in the Notice. The checks accepted for payment will be third party government or payroll checks, that are payable to the order of the Cashzone Member, and are payable on demand. Other types of third party checks from time to time approved by the Bank such as, but not limited to, checks payable to independent contractors, checks payable by insurance companies, governments or governmental agencies or checks drawn against attorney escrow accounts may also be paid by

Cashzone;

- (2) the sale of money orders, either purchased using a third-party check through an ABM or purchased for cash or by third-party check cashed by Cashzone employees behind a window at Staffed Locations;
- (3) electronic or wire transfer of money through services provided by a third party vendor;
- (4) electronic or in person payment of certain consumer bills such as utility and telephone bills through services provided by a third party vendor;
- (5) the sale of prepaid telephone cards by employees behind a window at Staffed Locations; and
- (6) customary automated teller machine ("ATM") functions for customers of banks affiliated with ATM networks such as Cirrus, New York Cash Exchange ("NYCE") or Cash Station.

Cashzone ABMs or employees behind a window at Staffed Locations cannot provide access to, or information on, any bank account, including the Bank's accounts, even were a Cashzone Member to be a Bank customer or to cash a check drawn on the Bank. Cashzone Members have no ability to use the ABMs or Cashzone employees behind a window at Staffed Locations to withdraw funds from any bank account, including the Bank's accounts. Cashzone Members cannot create or establish a deposit or other bank account with any bank, including the Bank.

Cashzone is designed to have two types of retail facilities. Each facility will have one or more ABMs that perform the check cashing and payment services as well as certain of the other services described above. Certain locations will also have a separate machine or a "sidecar" machine for the use of Bank customers to make deposits.<sup>1</sup> Cashzone ABMs and the "sidecar" machines will not be branches but are remote service units ("RSUs") operated by the customer that conduct certain banking functions.<sup>2</sup>

Cashzone facilities may be entirely automated with one or more stand-alone ABMs located in a retail establishment such as a drug store or may be separate store front Staffed Locations with Cashzone employees behind a window or may be a combination of ABM and Staffed Location. Entirely automated locations may have Cashzone employees to serve as "greeters" to assist Cashzone Members with using the ABMs and to advertise and promote the Cashzone services. Employees at the Staffed Locations can perform all the activities described above except ATM services; may also assist Cashzone Members with using the ABMs; may also advertise and

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<sup>1</sup> These separate automated machines are permitted by OCC Interpretive Letter No. 838, April 15, 1998, which allows an automated, unstaffed banking facility to accept cash or check deposits and record the deposit information electronically. This facility is different from a deposit drop box, which is deemed a branch for purposes of OCC licensing requirements.

<sup>2</sup> See 12 C.F.R. § 7.4003 (2001).

promote Cashzone; and may perform other ministerial functions.<sup>3</sup>

The Bank represents and undertakes that the activities to be conducted by Cashzone shall be conducted in accordance with the polices of the OCC contained in guidance issued by the OCC regarding the activities conducted and to be conducted by Cashzone. The operating subsidiary will conduct its activity in a manner consistent with published OCC guidance.

The Bank also confirms that OCC approval for the acquisition of Cashzone as an operating subsidiary and for the activities conducted by Cashzone is limited to the acquisition of Cashzone and the specific activities described fully in the Notice. The Bank further states that should the Bank want to expand the scope of activities beyond those described in this Notice, the Bank will provide the appropriate notice or request approval for such expanded activities in accordance with 12 C.F.R. § 5.34(e)(5). The Bank acknowledges and agrees that any of the following will be deemed to expand the scope of activities of Cashzone: (i) an expansion of responsibilities of the employees at Staffed Locations; or (ii) an expansion or modification of the activities such that the entire amount of a check presented for payment by a Cashzone Member less the aggregate amount of the transactions fees and payment for Cashzone's services or products (*e.g.*, check cashing, sale of money orders, wire transfers, utility payments, prepaid phone cards) is not paid concurrently with the negotiation of the check by the Cashzone Member.

Accordingly, only the specific activities described in the Bank's Notice and acknowledged by this letter are authorized. In particular, the Bank and Cashzone are not authorized to engage in "payday lending" activities or to enter into arrangements with third parties to provide "payday" type loans through offices or facilities operated by a third party.

Please contact me at the telephone number above or District Counsel Jonathan H. Rushdoony at (212) 790-4010 if you have any questions. The Bank is reminded further that operating subsidiaries approved pursuant to 12 C.F.R. §5.34(e)(5)(iv) are subject to and must be operated within the constraints of all national banking laws, rules, and regulations, and OCC published guidance, including the Bank Secrecy Act and other anti-money laundering laws and regulations.

Sincerely,

**-signed-**

Anthony P. DosSantos  
Licensing Manager

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<sup>3</sup> See Conditional Approval No. 313 (describing the functions of customer representatives who are present to assist customers and promote products in connection with ATMs in kiosks in supermarkets).