



Comptroller of the Currency
Administrator of National Banks

Central District Office
One Financial Place, Suite 2700
440 South LaSalle Street
Chicago, Illinois 60605

December 5, 2001

**Conditional Approval #509
January 2002**

Mr. Richard J. Brunner
Signature Bancorp, Inc.
P.O. Box 950
Maumee, Ohio 43537-0950

RE: De novo bank charter application for Signature Bank, National Association, Toledo, Ohio
(CAIS Control No. 01-CE-01-005)

Dear Mr. Brunner:

The Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank under the title of Signature Bank, National Association, Toledo, Ohio. After a thorough evaluation of all information available, including the representations and commitments made in the application and by the proposed bank's representatives, we find that your proposal meets the requirements for preliminary conditional approval. The bank also may offer credit life, health, and accident insurance in accordance with 12 CFR § 2.

We also made our decision to grant preliminary conditional approval with the understanding that the proposed national bank will apply for membership in the Federal Reserve System and obtain FDIC insurance.

This preliminary conditional approval is subject to the following "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 and, as such, are enforceable under 12 USC § 1818:

1. The bank shall obtain prior non-objection from the OCC's Assistant Deputy Comptroller for the Detroit Field Office before any significant deviation or change from the proposed operating plan occurs during the bank's first three years of operation. The bank must notify the Assistant Deputy Comptroller for the Detroit Field Office at least sixty (60) days prior to any proposed significant deviation or change and must also provide a copy of such notice to the FDIC's Chicago Regional Office.
2. The bank must notify all potential technology-related vendors in writing of the OCC's examination and regulatory authority under 12 USC § 1867(c). All final technology-related vendor contracts must stipulate that the performance of services provided by the vendors to the bank is subject to the OCC's examination and regulatory authority.

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The bank's initial paid-in capital, net of organizational and preopening expenses, shall be no less than \$14.5 million. The manner in which capital is raised must not deviate from that described in the operating plan without prior OCC notification. If the capital for the new bank is not raised within 12 months or if the new bank is not opened for business within 18 months from the preliminary conditional approval date, the OCC will withdraw preliminary conditional approval.

The OCC is opposed to granting extensions, except under the most extenuating circumstances and when the OCC determines that the delay is beyond the applicant's control. The organizers are expected to proceed diligently, consistent with their application, for the bank to open for business as soon as possible.

This is preliminary conditional approval only. Final approval will not be granted until and unless the Federal Reserve Board acts favorably on your application with them to acquire this new bank. You must furnish the OCC's Central District Office with a copy of all related filings to the Federal Reserve Board, including registration material.

Until final approval is granted, the OCC has the right to alter, suspend, or revoke preliminary conditional approval should any interim development be deemed by the OCC to warrant such action.

Please refer to the "Corporate Organization" booklet (enclosed) in the *Comptroller's Corporate Manual* for the instructions on organizing your bank. The booklet contains all of the steps you must take to receive your charter. As detailed in the booklet, you may establish the corporate existence of and begin organizing the bank as soon as you adopt and forward acceptable Articles of Association and the Organization Certificate to this office. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval, but you may not begin the business of banking until you fulfill all requirements for a bank in organization and you are granted final approval by the OCC.

Enclosed are standard requirements that must be met before the bank will be allowed to commence business. Management must ensure that the applicable policies and procedures are established and adopted by the board of directors before the bank begins operation. Applicable standard requirements also must be satisfied before the bank will be allowed to commence business.

In addition to the procedural requirements for all new national banks, the following requirements must be satisfied prior to the bank's request for a preopening examination and before the OCC will grant final charter approval:

1. The bank must submit to the Detroit Field Office for review and approval a complete description of the bank's final information systems and operations architecture as well as the information systems risk assessment and management plan. This should include a schematic drawing and discussion of the following items:

- ! Vendor due diligence and contracts; electronic banking security mechanisms and policies; information systems personnel; internal controls; audit plans; and operating policies and procedures, including, but not limited to, vendor management, weblinking, customer authentication and verification, and business resumption contingency plans.

- 2. The bank must have performed an independent security review and test of its electronic banking platform. The bank must have this review performed regardless of whether the platform is operated in-house or by one or more third-party service providers. If the bank outsources the technology platform, it can rely on testing performed for the service provider to the extent that it satisfies the scope and requirements listed herein. The review must be conducted by an objective, qualified independent source (Reviewer). The scope should cover:
 - ! All access points, including the Internet, Intranet, or remote access.

 - ! The adequacy of physical and logical protection against unauthorized access including individual penetration attempts, computer viruses, denial of service, and other forms of electronic access.

By written report, the Reviewer must confirm that the security measures, including the firewall, have been satisfactorily implemented and tested. For additional guidance, see “The Internet and the National Bank Charter” booklet of the *Comptroller’s Corporate Manual*, pages 37-38, 74-75. The booklet may be found at the publications portion of the OCC’s website, www.occ.treas.gov.

- 3. The bank must have a security program in place that complies with the “Interagency Guidelines Establishing Standards for Safeguarding Customer Information” specified at 12 CFR § 30, Appendix B.

The OCC poses no objection to the following persons serving as executive officers as proposed in the application. Additional executive officers are subject to the OCC’s *prior* review and clearance.

President and Chief Executive Officer: Richard J. Brunner
Executive Vice President and Senior Credit Officer: Scott S. Michalak
Executive Vice President and Senior Lending Officer: David A. Reed
Senior Vice President and Senior Operations Officer: Carol A. Savage
Senior Vice President - Deposit Services: Susan E. Morgan
Senior Vice President, Chief Financial Officer and Compliance Officer: Archie D. Stamm

The OCC also poses no objection to Richard J. Brunner, Michael J. Fischer, Scott S. Michalak, David A. Reed, Richard C. Wheeler and Patrick J. McIntyre serving as directors. Background

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checks that were requested by this Office on Mr. McIntyre have not yet been received. While we have decided not to delay action pending receipt of those responses, if adverse or previously withheld information is received, this Office may consider other remedies available to us under other statutes. All other directors are subject to the OCC's *prior* review and clearance.

You are also reminded that for a period of two years after the bank has opened for business, the OCC must review and have no objection to any new executive officer or director *prior* to that person assuming such position.

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

You should direct any questions concerning this preliminary conditional approval to National Bank Examiner Travis W. Wilbert at (312) 360-8866.

This preliminary conditional approval, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the U.S., any agency or entity of the U.S., or an officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

Yours truly,

/s/

David J. Rogers
National Bank Examiner

Enclosures: "Corporate Organization" Booklet
Minimum Policies and Procedures
Standard Requirements