



Comptroller of the Currency
Administrator of National Banks

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

Corporate Decision #2010-07
March 2010

February 19, 2010

Mr. Carlton E. Langer
Senior Vice President, Assistant Counsel
FirstMerit Bank, National Association
Legal Department - CAS81
III Cascade Plaza
Akron, Ohio 44308
Rosemont, Illinois 60018

Re: Application by FirstMerit Bank, National Association, Akron, Ohio, Illinois to purchase certain assets and assume certain liabilities of George Washington Savings Bank, Orland Park, Illinois OCC Application Number: 10-CE-02-002

Dear Mr. Langer:

The Office of the Comptroller of the Currency (“OCC”) approves the application of FirstMerit Bank, National Association, Akron, Ohio (“Acquirer”) to purchase certain assets of and assume certain liabilities of George Washington Savings Bank, Orland Park, Illinois (“Failed Entity”), for the reasons set below. As discussed below, the transaction may be consummated immediately upon approval. 12 U.S.C. § 1828(c)(6).

“Failed Entity”, a State-Chartered Bank with deposits insured by the Federal Deposit Insurance Corporation (“FDIC”), was declared closed by the State Banking Commissioner on February 19, 2010, and the FDIC was appointed as receiver. The Comptroller has now been asked to grant his written approval of the proposed agreement negotiated between the FDIC and Acquirer by which the latter would purchase certain assets and assume certain liabilities of Failed Entity.

This approval is granted based upon the information contained in the Acquirer’s application and other information and representations made to the OCC during its processing of the application.

The Purchase and Assumption

Acquirer applied to the OCC for approval to purchase certain assets of and assume certain liabilities of Failed Entity under 12 U.S.C. §§ 24 (Seventh) and 1828(c) (the “Transaction”). The Acquirer is located in Ohio and Pennsylvania. The Failed Entity is located in Illinois and the Failed Entity’s branches are located in Illinois. A national bank may acquire all or part of a depository institution through a purchase and assumption transaction under 12 U.S.C. § 24 (Seventh). Thus, the Transaction is legally authorized and the OCC approves the Transaction.

Generally, an application to engage in an interstate merger transaction pursuant to the Riegle-Neal Act, 12 U.S.C. § 1831u, is subject to certain requirements and conditions set forth in sections 1831u(a)(4) and (5) and 183lu(b). These conditions are: (1) compliance with state imposed age limits, if any, subject to the Riegle-Neal Act's limits; (2) compliance with certain state filing requirements, to the extent the filing requirements are permitted in the Riegle-Neal Act; (3) compliance with nationwide and state concentration limits; (4) expanded community reinvestment analysis and compliance; (5) adequacy of capital and management skills; and (6) limits on single branch acquisitions. These requirements, however, do not apply to a transaction, such as this, where the FDIC has provided assistance under 12 U.S.C. § 1823(c), or one of the banks involved is in default or in danger of default. 12 U.S.C. § 1831u(e). Moreover, in approving a transaction under the Riegle-Neal Act, the OCC may authorize the acquiring bank to retain as branches the main office and any branches of the target bank. 12 U.S.C. §§ 183lu(d)(1) and 36(d). Thus, the acquisition by Acquirer of certain assets and deposit liabilities of Failed Entity is legally permissible under 12 U.S.C. § 24(Seventh) and the retention by Acquirer of the main office and branch of Failed Entity as branches is legally permissible under the Riegle-Neal Act.

Bank Merger Act

The OCC reviewed the proposed purchase and assumption Transaction under the criteria of the Bank Merger Act, 12 U.S.C § 1828(c), and applicable OCC regulations and policies. The OCC considered the financial and managerial resources of the banks, their future prospects, and the convenience and needs of the communities to be served. In addition, the Bank Merger Act requires the OCC to consider “the effectiveness of any insured depository institution involved in the proposed merger Transaction in combating money laundering activities, including overseas branches,” 12 U.S.C. § 1828(c)(11). We considered these factors and found them consistent with approval under the statutory provisions.

In addition, the OCC also finds, under the standards set forth in the Bank Merger Act, that it must act on the application immediately. 12 U.S.C. § 1828(c)(3), (4)(C)(i), and (6). Consequently, there is no requirement for publication of notice of the Transaction, for a request by the OCC of a competitive factors report from the Attorney General, or for a post-approval waiting period prior to consummation of the Transaction.

Community Reinvestment Act

The Community Reinvestment Act (“CRA”) requires the OCC to take into account the applicants’ records of helping to meet the credit needs of the community, including low-and-moderate-income (“LMI”) neighborhoods, when evaluating certain applications, including transactions that are subject to the Bank Merger Act. 12 U.S.C. § 2903; 12 C.F.R. § 25.29. The OCC considers the CRA performance evaluation of each institution involved in the Transaction. A review of the record of these applicants and other information available to the OCC as a result of its regulatory responsibilities, revealed no evidence that the applicants’ records of helping to meet the credit needs of their communities, including LMI neighborhoods, is less than satisfactory.

Consummation Guidance

This approval is granted based on our understanding that other applicable regulatory approvals, non-objections or waivers with respect to the proposed Transaction will have been received prior to the consummation of the Transaction.

Within seven days of consummation of the Transaction, please provide the District Licensing Division with a copy of an executed purchase and assumption agreement.

This 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 United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. Any material change in the information on which the OCC has relied, may result in modification, suspension or rescission of this approval. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have questions regarding this letter, please contact me at (312) 360-8867 or at Carolina.Ledesma@occ.treas.gov. Please reference the application control number in any correspondence.

Sincerely,

Signed

Carolina M. Ledesma
Acting Director For District Licensing
National Bank Examiner