



July 23, 2015

**Conditional Approval #1125
August 2015**

Mr. Kyle Shadid
Senior Consultant
DD&F Consulting
521 South Rock Street
Little Rock, Arkansas 72202

Re: SOUTHBank, A Federal Savings Bank, Palm Beach Gardens, Florida
Transfer of Assets, Capital Distribution, and Voluntary Dissolution Applications,
(Charter No. 711351), 2015-HQ-5.53-144131, 2015-HQ-Cap&Div-144193, and OCC
Control Nos. 2015-HQ-Termination-144130

Dear Mr. Shadid:

The Office of the Comptroller of the Currency (OCC) hereby conditionally approves the Transfer of Assets Application, the Capital Distribution Application, and the Voluntary Dissolution Application (collectively Applications) filed by SOUTHBank, A Federal Savings Bank, (Bank). The Bank is a federal stock savings bank that is wholly owned by Commonwealth Savingsshares Corporation (Holding Company). The OCC received the Applications on April 22, 2015 and the Bank supplemented the Applications in response to the OCC's additional information requests. All references to the Applications are to the most recent amended versions.

The OCC reviewed the Applications in accordance with applicable laws, regulations, and OCC policy. Based on a thorough review of all available information, including the representations and commitments made in the Applications and by the Bank's representatives, the OCC has concluded that the Applications satisfy the applicable approval standards, provided the Bank complies with the conditions of approval and consummation requirements set forth herein.

The Proposed Transactions

The Bank and the Holding Company entered into a Purchase and Assumption Agreement dated April 16, 2015, with CenterState Bank of Florida, N.A. Winter Haven, Florida (CenterState). The Bank's Board of Directors approved the Plan of Voluntary Dissolution (Plan) on July 2, 2015. The Plan provides for, among other things: (1) the transfer of identified assets to, and the assumption of certain liabilities and all deposit accounts by, CenterState (Transfer of Assets Transaction); (2) one or more liquidating distributions; and (3) the termination of the Bank's corporate existence and dissolution of the Bank.

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The Applications include a Liquidating Trust Agreement that provides for the establishment of a liquidating trust that will pay and discharge all claims and obligations of the Bank including all contingent conditional or unmatured contractual claims known or unknown to the Bank as of the effective date of the dissolution or that are presented within two years after the effective date.

Transfer of Assets

The OCC has reviewed the Transfer of Assets Application under 12 C.F.R. § 163.22(d), which requires the OCC to consider: (i) the impact of the transaction on a federal savings association's capital level; (ii) the federal savings association's financial and managerial resources; (iii) the future prospects of the federal savings association; (iv) the convenience and needs of the communities to be served; (v) the conformity of the transaction to applicable law, regulation, and supervisory policies; and (vi) the fairness and disclosure concerning the transaction. The OCC considered these factors and found them consistent with approval, subject to the conditions set forth herein.

Capital Distribution

The Capital Distribution Application, filed pursuant to 12 C.F.R. Part 163, Subpart E, is for the Bank to issue one or more liquidating dividends to the Holding Company. The first dividend would consist of all of the Bank's remaining non-cash items to the Holding Company once the sale to CenterState is complete, all known liabilities have been paid, and the liquidating trust has been funded. The second dividend would be after the termination of FDIC deposit insurance and would consist of any cash remaining after the liquidating trust has been funded up to the maximum amount specified in the Plan.

Pursuant to 12 C.F.R. § 163.146, the OCC reviews a capital distribution application under the review procedures in 12 C.F.R. Part 116, Subpart E, and will deny a capital distribution application in whole or in part if the proposed distribution would: (i) cause the federal savings association to become undercapitalized;¹ (ii) raise safety and soundness concerns; or (iii) violate any statute, regulation, agreement between the Bank and the OCC or OTS, or violates a condition imposed on the federal savings association by the OCC or OTS in the approval of an application or notice.²

The OCC has reviewed the Bank's Capital Distribution Application pursuant to the terms of 12 C.F.R. § 163.146 and concludes that approval is consistent with the regulations, subject to the conditions set forth herein.

¹ If this factor is met, the OCC may still approve the capital distribution request if it determines that the capital distribution is permitted under 12 U.S.C. § 1831o(d)(1)(B).

² If this factor is met, the OCC may still determine whether it may permit the proposed capital distribution notwithstanding the violation. 12 C.F.R. § 163.146(c).

Voluntary Dissolution

The Voluntary Dissolution Application, filed pursuant to 12 C.F.R. § 146.4, is for the Bank to voluntarily dissolve following consummation of the Transfer of Assets Transaction, funding of the liquidating trust, and one or more capital distributions.

The OCC has reviewed the Voluntary Dissolution Application pursuant to 12 C.F.R. § 146.4, which provides that the OCC may approve a dissolution plan if the OCC believes the plan is advisable and best for all concerned. The OCC has reviewed the Bank's Voluntary Dissolution Application pursuant to the terms of 12 C.F.R. § 146.4 and concludes that approval is consistent with the regulations, subject to the conditions set forth herein.

Conditions of Approval

The OCC's approval of the Applications is subject to the following conditions:

1. Prior to the date of consummation of the Transfer of Assets Transaction, the Bank shall submit to the OCC a copy of the executed and effective Liquidating Trust Agreement in a format substantially the same as that submitted to the OCC on July 16, 2015;
2. No later than three business days prior to the date of consummation of the voluntary dissolution, the Bank must publish notice of its dissolution in the form specified in its Applications and furnish the OCC with proof of such publication. The notice must also include a description of how to make a claim against the liquidating trust;
3. If the Bank is not dissolved in the manner contemplated in the Applications, within seven calendar days of the consummation of the voluntary dissolution, the Bank shall submit a plan to continue the liquidation of the Bank, obtain Licensing's written non-objection to the plan, and thereafter adhere to that plan.
4. The Bank shall not make any distribution of assets to the Holding Company until after each of the following is satisfied: i) the Bank consummates the Transfer of Assets Transaction; ii) the Bank submits to OCC a copy of the certification submitted to the Federal Deposit Insurance Corporation under 12 CFR 307.2(c) seeking termination of deposit insurance; and iii) the Bank funds the liquidating trust as provided in the Plan of Dissolution and consistent with the Applications. If the Bank seeks to make the final distribution(s) prior to satisfaction of all the above, the Bank must obtain Licensing's written non-objection .

The conditions of this approval are conditions "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

Consummation Requirements

On the business day prior to the date of the consummation of the Transfer of Assets Transaction, a duly authorized officer of the Bank must certify in writing to the OCC that no material adverse events or material adverse changes have occurred with respect to the financial condition or operation of the Bank as disclosed in the Applications. If additional information having a material adverse effect on any feature of the Applications is brought to the attention of the Bank or the OCC since the date of the financial statements submitted with the Applications, the Bank must not consummate the Transfer of Assets Transaction, any capital distribution, or the voluntary dissolution, as applicable, unless the information is presented to the OCC and the OCC provides written non-objection to consummation of the Transfer of Assets Transaction, any capital distributions, or the voluntary dissolution, as applicable.

The approvals set forth herein are granted based on our understanding that other regulatory approvals, non-objections or waivers with respect to the proposed transactions will have been received prior to consummating the transactions. Please ensure that you submit the following information to Licensing within the stated timeframes:

- No later than the date of consummation of the voluntary dissolution, return Reports of Examination or provide a certification that Reports of Examination were properly disposed of;
- No later than five business days after the date of consummation of the Transfer of Assets Transaction, capital distributions, and voluntary dissolution, certifications must be filed with Licensing stating the effective date of each transaction. The certifications must specify the transaction, or transactions, that were consummated and that such transactions were completed in accordance with all applicable laws and regulations, the Applications, and this letter; and
- No later than five business days after the date of consummation of the voluntary dissolution, all official copies of the federal charter of the Bank must be returned to Licensing.

If the transactions are not consummated within 120 calendar days of the approval date, the approval shall automatically terminate, unless the OCC grants an extension for good cause.

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. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains.

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The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

All correspondence regarding the Applications should reference the OCC control numbers. If you have any questions, please contact Carla S. Holiman, Senior Licensing Analyst at (202) 639-6339 or carla.holiman@occ.treas.gov.

Sincerely,

Stephen A. Lybarger

Stephen A. Lybarger
Deputy Comptroller for Licensing