

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF BUSINESS REGULATION  
DIVISION OF BANKING  
1511 PONTIAC AVENUE, BLDG. 68-2  
CRANSTON, RI 02920**

**DECISION AND ORDER**

**IN RE:**

**APPLICATION OF BANK OF ENGLAND  
TO ESTABLISH AN INTERSTATE BRANCH OFFICE AT  
908 RESERVOIR AVENUE, LOWER LEVEL,  
CRANSTON, RHODE ISLAND 02910**

**I. JURISDICTIONAL STATEMENT AND TRAVEL OF THE CASE**

This matter came before the Department of Business Regulation ("Department"), Division of Banking ("Division") upon the application of Bank of England, an Arkansas state chartered community bank with a principal office at 123 Main Street, England, Arkansas 72046 (the "Applicant"), for approval to establish an interstate branch office to be located at 908 Reservoir Avenue, Lower Level, Cranston, Rhode Island 02910 (the "Application"), pursuant to R. I. Gen. Laws §19-1-3 and 19-7-9 and for the issuance of a certificate of public convenience and advantage in connection therewith.

The Bank of England initially filed an application on February 24, 2011 in order to establish an interstate branch office to be located at 31 James P. Murphy Industrial Highway, Suite 2R, West Warwick, Rhode Island 02893. Notice of the filing of the application was published by Applicant in accordance with R. I. Gen. Laws §19-1-3 and with the public comment and inspection period ending on April 4, 2011. The Division received no letters of comment or objection in connection with the Application during the comment period and the application was approved and Bank of England was issued a Certificate of Public Convenience and Advantage on May 31, 2011.

On June 21, 2011 the Division received the Application from the Applicant's general counsel stating that the Applicant has entered into a new lease agreement in order to relocate the interstate branch office to 908 Reservoir Avenue, Lower Level, Cranston, RI 02910. Notice of the filing of the Application was published by Applicant during three consecutive weeks, specifically on June 28, 2011, July 5, 2011, and July 12, 2011, in accordance R. I. Gen. Laws §19-1-3. The Application was

available for public inspection and comment in the office of the Division from June 28, 2011 through July 19, 2011. The Division received no letters of comment or objection in connection with the Application during the comment period.

## **II. APPLICABLE LAW**

### **a. Public Convenience and Advantage Standard**

The Director of the Department (the "Director"), or the Director's designee, is expressly authorized by R. I. Gen. Law §19-1-3, 19-2-3 and 19-7-9 to issue a certificate of public convenience and advantage with respect to the establishment of a branch for a regulated institution upon consideration of factors consistent with the creation of a regulated institution and upon compliance with other applicable provisions of R. I. Gen. Laws Title 19. Although R. I. Gen. Laws Title 19 does not expressly delineate the factors that must be considered by the Director with respect to the standard of public convenience and advantage, it is the policy of the Director, and the Division under the supervision of the Director, to consider such factors as (a) the benefits to the community or communities to be served, such as the products and services to be provided by the proposed branch, and (b) the effects of the proposal on the public interest, such as the effect on employment, the economy and the tax base of the State. In addition, the Director considers the safety and soundness of the regulated institution making application and the effect of the proposal on the strength and stability of the financial community as a whole.

Under applicable law, therefore, the Director may issue a certificate upon a finding that the benefits flowing from the applicant's proposed activities will run to the public, that the applicant's proposed activities are fitting or suited to the public and will result in a gain or benefit to the public, that the proposed activity will not materially adversely affect the safety and soundness of the regulated institution, and that the application is in conformance with applicable law.

### **b. Community Reinvestment Act Standard**

It has been the policy of the Director, in reviewing applications from state chartered institutions, to determine whether an applicant will adhere to Community Reinvestment Act ("CRA") standards. The principles inherent in CRA require institutions to address the credit needs of the communities they serve. Both the federal CRA, 12 U.S.C. Section 2901 *et seq.*, and the state CRA, R. I. Gen. Laws §19-9-4, are applicable. The Director believes that CRA factors are relevant and important in determining whether a certificate of public convenience and advantage should be issued.

The Applicant received a "Satisfactory" CRA performance evaluation rating from the Federal Deposit Insurance Corporation ("FDIC") on October 1, 2009, when the last CRA Performance review was performed.

*c. Insurance of Deposits*

R. I. Gen. Laws §19-4-10 requires that any regulated institution permitted by law to receive deposits, except a regulated institution prevented from accepting deposits by its by-laws or agreement to form, must maintain federal deposit insurance. Bank of England will not be accepting deposits at the interstate branch location as clearly stated in the application.

*d. Reciprocity with Home State*

R. I. Gen. Laws §19-7-9 expressly authorizes the Director to approve an application for a branch within Rhode Island by an out-of-state bank if the law of the state in which the out-of-state bank is principally located authorizes a Rhode Island financial institution to establish a branch in that state under conditions not substantially more restrictive than those imposed by the laws of Rhode Island, as determined by the Director.

**III. FINDINGS OF FACT**

Evidence was submitted to the Division in support of the Application that included responses to questions contained in the Application and various documents attached as exhibits to the Application.

Specifically, information was provided on the Applicant and the proposed branch. The Applicant provided a statement that described the means by which the proposed branch would promote the public convenience and advantage of the communities to be served. Based upon the documentary evidence filed with the Division, the Director hereby makes the following findings of fact:

1. On May 31, 2011 the Division issued to the Applicant a Certificate of Public Convenience and Advantage and a Decision and Order in favor of the Bank of England to establish and maintain an interstate branch office pursuant to R. I. Gen. Laws §19-1-3 and 19-7-9. The branch office was to be located at 31 James P. Murphy Industrial Highway, Suite 2R, West Warwick, Rhode Island 02893.

2. On June 21, 2011 Applicant filed a new Application in order to relocate the interstate branch office to 908 Reservoir Avenue, Lower Level, Cranston, Rhode Island 02910. Applicant

published a Notice of Application Filed during three consecutive weeks, specifically on June 28, 2011, July 5, 2011 and July 12, 2011 in accordance with R. I. Gen. Laws §19-1-3.

3. The public inspection and comment period for the Application extended from June 28, 2011 through July 19, 2011 during which time the Application was available for public inspection and comment in the office of the Division. The Division received no letters of comment or objection in connection with the Application during the comment period, therefore no public hearing was held.

4. Applicant is an out-of-state bank, as defined in R. I. Gen. Laws § 19-7-1, chartered by The State of Arkansas.

5. The service area for the Applicant's proposed branch will be the State of Rhode Island.

6. Approval of the Application will afford Rhode Island consumers a greater option of mortgage lending alternatives.

7. The Division has reviewed the summary of the Applicant's latest CRA Performance Evaluation that evidences its intent to comply with CRA and non-discrimination laws and regulations and to address the credit needs of the communities it serves.

8. Financial information obtained about the Applicant adequately demonstrates the financial strength of the Applicant with respect to safety and soundness issues and the Applicant's ability to operate the proposed branch.

9. A determination was made by The State of Arkansas Division of Banks that the laws of The State of Arkansas, expressly authorize, under conditions no more restrictive than those imposed by the laws of Rhode Island, the establishment of a branch office by a Rhode Island financial institution in Arkansas.

#### **IV. CONCLUSIONS OF LAW**

Based upon the documentary evidence filed with the Division, the Director hereby makes the following conclusions of law:

1. R. I. Gen. Laws §§19-1-3, 19-2-3 and 19-7-9 authorize the Director to issue the certificate of public convenience and advantage in connection with the Application.

2. The Notices of Application Filed satisfies the requirements of R. I. Gen. Laws §19-1-3 with respect to the publication of notice for the proposed branch.

3. The proposed branch is in the public interest; will promote the convenience and advantage of the community to be served by the proposed branch; will have a beneficial effect on the economy and on the citizens of the community to be served by the branch; all consistent with safe and sound banking practices and with the requirements of Rhode Island law and the standard for issuing the certificate sought by the Applicant.

4. The Application complies with the spirit and intent of R. I. Gen. Laws §19-9-4 regarding credit needs of local communities.

5. The Applicant will not be accepting deposits at the proposed branch.

6. The Application satisfies the standards in R. I. Gen. Laws §19-7-9 regarding reciprocity with The State of Arkansas.

#### V. DECISION AND ORDER

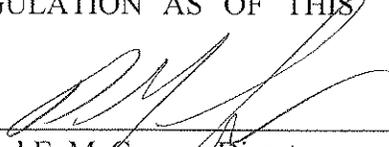
Upon review and consideration of the documentary evidence in the record presented in this matter, it is hereby ORDERED:

1. That the application of Bank of England to establish a branch office, and for the issuance of a certificate of public convenience and advantage in connection therewith is hereby approved in accordance with, and with the general effect provided for in R. I. Gen. Laws §§19-2-3 and 19-7-9, subject to the following conditions:

A) That the Applicant, upon opening of the proposed branch, must return the original certificate of public convenience and advantage to the Division for cancellation.

B) That the Applicant operate under the name as stated on the certificate of public convenience and advantage. If the Applicant decides to operate under the name of ENG Lending or any other elected name, approval of the Director must be obtained.

ENTERED AS ADMINISTRATIVE ORDER NUMBER 11-070 OF THE DIRECTOR OF THE DEPARTMENT OF BUSINESS REGULATION AS OF THIS 9<sup>th</sup> DAY OF SEPTEMBER 2011.

  
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Paul E. McGreevy, Director  
Department of Business Regulation