



State of Rhode Island
Department of Business Regulation



DIVISION OF BANKING

1511 Pontiac Avenue, Building 68-2

Cranston, Rhode Island 02920

Telephone (401) 462-9503 – Facsimile (401) 462-9532

**APPLICATION PURSUANT TO THE RHODE ISLAND INTERSTATE BRANCHING
AND BANK HOLDING COMPANY MERGERS AND ACQUISITIONS ACT**

Filed by: _____

Address of Applicant: _____

Applicant shall follow requirements contained in R. I. Gen. Laws §§ 19-6-1 et seq., 19-7-1 et seq. and 19-8-1 et seq. as well as Banking Regulation 98-1 entitled *Application of Regulated Institutions*. Additionally, Applicant

Name and address of Rhode Island financial institution and/or bank holding company that is the subject of the merger or acquisition if different than applicant listed above:

Date of Filing: _____

Application is hereby made to the State of Rhode Island Department of Business Regulation for approval of an acquisition, merger, or purchase of assets/assumption of liabilities pursuant to the provisions of Title 19, Chapter 7, as heretofore amended. Applicant shall follow requirements contained in the applicable section(s) of Title 19, Chapter 7, as heretofore amended and shall file the application with all attachments with the Division of Banking. The application shall include at a minimum the following:

1. Narrative and financial description of the terms and conditions of the proposed transaction and the manner in which the transaction is to be accomplished.
2. A statement on how the transaction will promote the safety and soundness of the institution/bank holding company to be acquired and the convenience and advantage of the communities served by the institution/bank holding company to be acquired.
3. Projections/forecasts of any significant impact the proposed transaction will have on the following:
 - A. The state's economy
 - B. The state's employment levels
 - C. The state's tax base

The projections/forecasts shall include information on the above both before the proposed transaction and after the proposed transaction.

4. A comparison of existing market share to market share after the proposed transaction, which should indicate:
 - A. The extent, if any, to which the proposed transaction would result in a monopoly or would be in furtherance of any combination or plan to monopolize the business of banking; and
 - B. The extent, if any, to which the proposed transaction would substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade where the anticompetitive effects of the proposed transaction are not outweighed by the probable effect of the transaction meeting the convenience and needs of the community to be served.

5. With respect to acquisitions which involve a change in control, as defined in the Bank Holding Company Act of 1956, 12 U.S.C. 1841 et seq., of voting stock of the institution/bank holding company to be acquired through a purchase, assignment, pledge or other disposition of voting stock:
 - A. A copy of the definitive agreement relative to the change in control.
 - B. Certified vote of the shareholders, of the Rhode Island financial institution or bank holding company, of approval of the change in control evidencing an affirmative vote of the majority of the shares entitled to vote thereon;
 - C. If the change in control involves control by either a financial institution or a bank holding company, applicant shall file a certified copy of the resolution of the board of directors of the acquiring financial institution or bank holding company approving the proposed transaction.
 - D. The names of each person or entity by whom or on whose behalf the acquisition is to be made together with the following information for each such person or entity:
 - i) Completed and signed authorization for background check (2 page form enclosed).
 - ii) If corporation, articles of incorporation and bylaws; if partnership or joint venture, partnership or joint venture agreement.
 - iii) Material business activities and affiliations during the past five (5) years.
 - iv) A description of any material pending legal or administrative proceedings in which said person or entity is a party. If none, so indicate.
 - v) Information on any criminal indictment or conviction of such person or entity by a state or federal court. If none, so indicate.
 - vi) The following financial statements prepared in accordance with generally accepted accounting principles consistently applied for each of the five (5) years immediately preceding the date of the application:
 1. Statement of condition
 2. Income and expense
 3. Source and application of funds
 - vii) Interim statement of condition and year-to-date statement of income and expenses as of a date not more than ninety (90) days prior to the date of application.
 - E. Copies of all invitations or tenders, or advertisements making a tender offer to stockholders for purchase of their stock to be used in connection with the proposed acquisition.
 - F. A list of the names and addresses of any person(s) employed, retained, or to be compensated by the acquiring party, or by any person(s) on its behalf, to make solicitations or recommendations to stockholders for the purpose of assisting in the acquisition. Describe the terms of such employment, retainer, or arrangement for compensation.

- G. A statement, which identifies the source and the amount of funds or other consideration to be used in making the acquisition.
 - H. A description of any plans by the acquiring party to liquidate the institution/bank holding company, to sell its assets or merge it with any company or to make any major change in its business or corporate structure or management along with any filings required by statute to effect such liquidation, sale, or merger.
6. With respect to mergers of stock institutions, the following:
- A. Certified resolutions of the respective boards of Directors approving the plan of merger pursuant to R. I. Gen. Laws § 7-1.1-65 or R. I. Gen. Laws § 7-1.1-66 as the case may be;
 - B. **Certified vote of the shareholders, pursuant to the applicable provisions of R. I. Gen. Laws §§ 7-1.1-65 to 7-1.1-67 inclusive, of the Rhode Island bank, evidencing an affirmative vote of a majority of the shares entitled to vote thereon;**
 - C. Certified vote of the shareholders, pursuant to the Applicable provisions imposed by the laws of the other state, of the bank not organized under the laws of Rhode Island;
 - D. Three executed originals of the Articles of Merger or Consolidation complying with the applicable provisions of R. I. Gen. Laws § 7-1.1-68 and the applicable provisions of the laws under which each bank not organized under the laws of Rhode Island is organized; the Articles of Merger must contain a section for the Department to endorse its approval.
 - E. If the successor bank is to be organized under laws other than the laws of Rhode Island, it shall file:
 - i) An agreement that it may be served with process in Rhode Island in any proceeding for the enforcement of any obligation arising out of its business transacted in this state and any obligation of any of its predecessor banks, including the enforcement of the rights of a dissenting shareholder of any such predecessor banks;
 - ii) An irrevocable appointment of the Rhode Island Director of Business Regulation as its agent to accept service of process in any proceedings in the courts of Rhode Island or the courts of the United States in Rhode Island; and
 - iii) An agreement that it will promptly pay to the dissenting shareholders of any predecessor bank organized under the laws of this state the amount, If any, to which they shall be entitled.
 - F. Contents of the Plan of the Proposed Transaction that shall set forth:
 - i. The names of the financial institutions involved in the proposed transaction, and the name of the surviving institution
 - ii. The terms and conditions of the proposed transaction
 - iii. The manner and basis of converting the shares of each financial institution which is a party to the proposed transaction into shares or obligations or other securities of the surviving financial institution, or in whole or in part, into cash, property, or shares, obligations, or other securities of any other institution
 - iv. A statement of any changes in the Agreement to Form (Articles of Incorporation) of the surviving financial institution to be effected by the proposed transaction, or if no changes are desired, a statement to that effect.
 - v. Such other provisions with respect to the proposed transaction as deemed necessary or desirable.

G. Surety Bond

The continuing institution must provide evidence that it has reviewed its surety bond coverage to ensure compliance with R. I. Gen. Laws §19-2-19 and Banking Regulation 98-2. The review must address, at a minimum the following:

- i. That the continuing institution will have the minimum dollar amount of coverage as of the effective date of the proposed transaction.
- ii. That the continuing financial institution has notified its surety bond carrier of the proposed transaction.
- iii. That the merging financial institution will not cancel its surety bond coverage until the merger is complete.
- iv. Information that may be required by the surety bond carrier with respect to each institution that is a party to the proposed transaction.

H. A statement on the proposed transaction's effect on:

- i. The financial condition of the institutions entering into the proposed transaction
- ii. Fairness to the owners of each institution

7. With respect to mergers of mutual institutions, the following:

A. Certified resolutions of the respective boards of directors approving the plan of merger pursuant to R. I. Gen. Laws § 7-1.1-65 or R. I. Gen. Laws § 7-1.1-66 as the case may be;

B. Certified vote of both the trustees and incorporators, of the savings bank or building-loan association pursuant to R. I. Gen. Laws § 19-7-4(c);

C. Certified vote of the shareholders, pursuant to the applicable provisions imposed by the laws of the other state, of the bank not organized under the laws of Rhode Island;

D. Three executed originals of the Articles of Merger or Consolidation complying with the applicable provisions of R. I. Gen. Laws § 7-1.1-68 and the applicable provisions of the laws under which each bank not organized under the laws of Rhode Island is organized; the Articles of Merger must contain a section for the Department to endorse its approval.

E. If the successor bank is to be organized under laws other than the laws of Rhode Island, it shall file:

- i) An agreement that it may be served with process in Rhode Island in any proceeding for the enforcement of any obligation arising out of its business transacted in this state and any obligation of any of its predecessor banks; and
- ii) An irrevocable appointment of the Rhode Island Director of Business Regulation as its agent to accept service of process in any proceedings in the courts of Rhode Island or the courts of the United States in Rhode Island.

F. Contents of the Plan of the Proposed Transaction that shall set forth:

- i. The names of the financial institutions involved in the proposed transaction, and the name of the surviving institution
- ii. The terms and conditions of the proposed transaction
- iii. The manner and basis of converting the shares of each financial institution which is a party to the proposed transaction into shares or obligations or other securities of the surviving financial institution, or in whole or in part, into cash, property, or shares, obligations, or other securities of any other institution

- iv. A statement of any changes in the Agreement to Form (Articles of Incorporation) of the surviving financial institution to be effected by the proposed transaction, or if no changes are desired, a statement to that effect.
- v. Such other provisions with respect to the proposed transaction as deemed necessary or desirable.

G. Surety Bond

The continuing institution must provide evidence that it has reviewed its surety bond coverage to ensure compliance with R. I. Gen. Laws §19-2-19 and Banking Regulation 98-2. The review must address, at a minimum the following:

- i. That the continuing institution will have the minimum dollar amount of coverage as of the effective date of the proposed transaction.
- ii. That the continuing financial institution has notified its surety bond carrier of the proposed transaction.
- iii. That the merging financial institution will not cancel its surety bond coverage until the merger is complete.
- iv. Information that may be required by the surety bond carrier with respect to each institution that is a party to the proposed transaction.

H. A statement on the proposed transaction's effect on:

- i. The financial condition of the institutions entering into the proposed transaction
- ii. Fairness to the owners of each institution

8 With respect to purchases of assets and assumptions of liabilities, the following:

- A. Certified vote of the shareholders, directors, trustees, or incorporators, as the case may be, pursuant to R. I. Gen. Laws § 19-7-6(b) and the applicable provisions of R. I. Gen. Laws § 7-1.1-72;
- B. Certified vote of the shareholders, directors, trustees, or incorporators, as the case may be, pursuant to the applicable provisions imposed by the laws of the other state, of the bank not organized under the laws of the State of Rhode Island; and
- C. Duplicate executed originals of the Agreement of Purchase and Assumption that include a section for the approval by the Director of Business Regulation.
- D. For an out-of-state bank that is to be the purchasing bank:
 - i) An agreement that it may be served with process in this state in any proceeding for the enforcement of any obligation arising out of its business transacted in this state and any obligation assumed by it; and
 - ii) An irrevocable appointment of the Rhode Island Director of Business Regulation as its agent to accept service of process in any proceedings in the courts of Rhode Island or the courts of the United States in Rhode Island.

9. Financial statements of both institutions (acquiring institution and institution to be acquired) involved in the transaction dated not more than ninety (90) days prior to the date of application.

10. Proforma financial statements and projections upon completion of the transaction for the four year period following the transaction.

11. Provide a list of the name, address, telephone number and contact person of any state or federal bank regulatory or licensing authority having jurisdiction over the transaction.

12. A business plan that details the surviving entity's short and long range goals and objectives for the four (4) years following the transaction. The business plan shall also include an employee and management plan that addresses the effect the proposed transaction will have on employment levels.

13. Agreements Governing Financial Institution Officials

Each institution which is a party to the proposed transaction shall provide copies of any agreements and/or contracts with respect to officials of each institution which is a party to the transaction which address compensation, and official duties and responsibilities along with a statement of the financial impact of such agreements and/or contracts on each institution which is a party to the proposed transaction. For purposes of this request an institution official includes a member of the board of directors, board of trustees, as well as the chief executive officer and chief financial officer of each institution which is a party to the proposed transaction.

14. Labor Contracts

The continuing financial institution shall provide an explanation of the legal and financial impact that any labor contracts which either institution is a party may have on the continuing institution.

15. A flow chart and explanation of the proposed corporate organizational structure including any relationships to affiliates and subsidiaries.

16. COMMUNITY REINVESTMENT ACT ("CRA")

- Each financial institution that is a party to the transaction that has received a CRA Performance Evaluation must provide a copy of said financial institution's most Recent CRA Performance Evaluation Rating.
- Each financial institution that is a party to the transaction that has not received a CRA Performance Evaluation Rating must provide a copy of its CRA Statement, and pursuant to R. I. Gen. Laws § 19-9-4, the following as it relates to the activities of each financial institution:
 - A) The geographic distribution of the applicant/affiliated institution's credit extensions, credit applications, and credit denials, during the two (2) calendar years preceding the application, specifying the number and dollar amount of each such loan by type;
 - B) The effect of the matter which is the subject of the application upon the economy of the respective neighborhoods, cities or towns, region, or states, including the number and types of full and part-time jobs;
 - C) The applicant/affiliated institution's participation, including investments, in local community development and redevelopment projects or programs during the two (2) calendar years preceding the application, specifying the number and dollar amount of each such loan and investment by type; If none, provide statement, which explains the lack of such participation.
 - D) The applicant/affiliated institution's origination of residential mortgage loans, housing rehabilitation loans and small business or small farm loans within its community or the purchase of such loans originated in its community during the two (2) calendar years preceding the application, specifying the number and dollar amount of each such loan by type; If none, provide statement which explains the lack of such participation.
 - E) The applicant/affiliated institution's participation in governmentally-insured, guaranteed, or subsidized loan programs for housing, small businesses, or small farms during the two (2) calendar years preceding the application, specifying the number and dollar amount of each such loan by type; If none, provide statement which explains the lack of such participation.
 - F) A statement which addresses whether the applicant/affiliated institution has or intends to engage in any practices intended to discourage application for any types of consumer credit; and
 - G) Explanation, including the dates, disposition, and corrective measures taken with respect to any accusations of prohibited discriminatory or other illegal credit practices.

17. The names, residence, date of birth, signed authorization for background check, educational background, and positions held during the last five (5) years for any new officers and directors, and persons having control of the surviving entity. For purposes of this application, control shall have the same meaning as that contained in the Rhode Island Depository Change in Control Act as heretofore amended. All new officers or directors of the institution to be acquired must be sworn to the faithful performance of their duties and shall file a copy of said oath with the division of banking.
18. Evidence that the laws of the state in which the out-of-state bank is located, or in which operations of the bank subsidiaries of an out-of-state bank holding company are principally conducted;
 - A) In the case of an acquisition of stock: expressly authorize, under conditions no more restrictive than those imposed by the laws of Rhode Island, the acquisition by a Rhode Island bank or bank holding company of direct or indirect ownership or control of more than five percent (5%) of the voting stock of banks located in that state or bank holding companies the operations of the bank subsidiaries of which are principally conducted in that state.
 - B) In the case of mergers of stock or mutual financial institutions:
 - i. Expressly permits this type of merger or consolidation and
 - ii. Expressly authorizes, under conditions not substantially more restrictive than those imposed by the laws of this state, as determined by the director or the director's designee, a financial institution organized without capital stock under the laws of this state to be the successor bank of this merger or consolidation.
 - C) In the case of the purchase of assets, assumption of liabilities and operation of offices:
 - i. Permits such a purchase of assets, assumption of liabilities, and operation of offices and branches; and
 - ii. Authorizes, under conditions not substantially more restrictive than those imposed by the laws of this state, as determined by the director or the director's designee, a financial institution to purchase assets, assume liabilities, and operate offices and branches in another state.
19. Notice (sample attached) to be published at least once a week for three successive weeks in The Providence Journal and, if desired, in another newspaper published in or near to the city or town in which the financial institution is located. Publication dates to be determined by the Division of Banking (sample publication enclosed).
20. A copy of any other application and any other documents that are filed with the Federal Deposit Insurance Corporation (FDIC) or any federal or state regulatory or licensing authority having jurisdiction over the proposed merger or acquisition.
21. A copy of the approval or lack of objection to the proposed merger or acquisition by the FDIC or other federal or state regulatory or licensing authority, if applicable.
22. Any other information relevant for consideration of the application.
23. Certification by the president or vice president and secretary or treasurer of applicant that the information contained in the application is true and that any schedules provided correctly represent the true state of the matters contained within the application to the best of their knowledge and belief.
24. Within thirty (30) days of the date of the Decision on the application by the Director of Business Regulation, applicant shall pay an application filing fee pursuant to R. I. Gen. Laws § 19-1-3 and Banking Regulation 98-1-5.

Supplemental Forms:

1. Authorization for Background Check
2. Articles of Merger or Consolidation (available from the Rhode Island Office of the Secretary of State)
3. Notice of Application Filed

Application Pursuant To The Rhode Island Interstate Branching And Bank Holding Company Mergers And Acquisitions Act 5-20-2011 rev

DEPARTMENT OF BUSINESS REGULATION

DIVISION OF BANKING

NOTICE OF APPLICATION FILED

Notice is hereby given that an application has been filed in accordance with Chapters 1 and 2 of Title 19 of the General Laws of Rhode Island, as amended, by (NAME AND ADDRESS OF APPLICANT) with the Department of Business Regulation for approval to relocate a branch office from (EXISTING ADDRESS OF BRANCH OFFICE) to (PROPOSED ADDRESS OF BRANCH OFFICE).

All persons wishing to review and/or comment on the application may make requests to the Department of Business Regulation, Division of Banking, 1511 Pontiac Avenue, Building 68-2, Cranston, Rhode Island 02920. Application documents will be available for public inspection and comment between the hours of 9:00 a.m. and 3:30 p.m. in the office of the Division of Banking from (INSERT DATE OF START OF PUBLIC COMMENT PERIOD) through (INSERT DATE OF END OF PUBLIC COMMENT PERIOD). Any comments made relative to the application must be made in writing addressed to Joseph Torti III, Deputy Director and Superintendent of Banking and Insurance, Department of Business Regulation, Division of Banking and Insurance, 1511 Pontiac Avenue, Building 69-2, Cranston, Rhode Island 02920.

The Division of Banking is accessible to the handicapped.

If, at the end of the comment period, there are no objectors to the application, no hearing may be held and a decision may be made to approve or deny the application.

This notice will appear in The Providence Journal (NAME OF OTHER NEWSPAPER, IF MORE THAN ONE USED) on (INSERT DATES OF PUBLICATION).

State of Rhode Island and Providence Plantations
Department of Business Regulation

Paul E. McGreevy
Director of Business Regulation

To be provided to applicant by Division of Banking upon completion of review of the application.



State of Rhode Island
Department of Business Regulation



DIVISION OF BANKING

1511 Pontiac Avenue, Building 69-2
 Cranston, Rhode Island 02920
 Telephone (401) 462-9503 - Facsimile (401) 462-9559

AUTHORIZATION FOR BACKGROUND CHECK AND RELEASE

Financial Institution/ Credit Union Name _____

Address _____

City, State, Zip Code _____

I, _____
 _____,

(Type or Print Full Name and Title)

of _____
 _____,

(Type or Print Residence Address, City, State, Zip Code)

having a date of birth of _____ and social security number of _____

_____ hereby voluntarily direct and authorize the Division of Banking of the Department of Business Regulation to utilize the above information as part of its evaluation of my general character and financial condition. The information may be used for purposes of obtaining a credit report on me and/or may be shared with the Bureau of Criminal Identification of the Department of the Attorney General for the State of Rhode Island to make available to the Department of Business Regulation any criminal record or other disposition that the Bureau of Criminal Identification has on file in reference to me.

I hereby waive and release any and all manner of actions, cause of actions, and demands of every kind, nature and description, arising from any release of criminal records and requests there from, whatsoever against the State of Rhode Island, the Bureau of Criminal Identification, the Attorney General, the Department of Business Regulation, the employees of the Attorney General's Office and the employees and officials of the Department of Business Regulation in both law and equity which I may now have or in the future may have.

Upon submission of an application for a financial institution or credit union charter or a change in a regulated entity's officers, directors, or principal owner, each such officer, director, manager or

principal owner must provide a signed response to the questions on Page 2 of 2. An affirmative response to any question requires a signed explanation. (Additional copies of this form may be reproduced as needed.)

Financial Institution/ Credit Union Name _____

Individual's Name _____

(Type or Print)

Has the director, officer, manager or principal stockholder or any organization in which said person served as a director, officer, manager, or a principal stockholder ever:

1. Made application for a financial license in this state or any other state that was denied, refused or withdrawn, or had a financial license suspended, revoked or canceled?
YES _____ NO _____

2. Been enjoined or restrained by order of any court from continuing any conduct or practice in connection with the type of activity for which a license is being requested?
YES _____ NO _____

3. Adversely been the subject of or named in any order issued by any court, official or agency of any state or other authority engaged in regulating the business activity for which a license is being requested?
YES _____ NO _____

4. Been the subject of any bankruptcy, receivership, or insolvency proceedings?
YES _____ NO _____

5. For any violation of law other than a motor vehicle violation been (check all that apply):

Arrested YES _____ NO _____ Prosecuted YES _____ NO _____

Indicted YES _____ NO _____ Convicted YES _____ NO _____

6. Attach copy of a Photo ID (i.e. Valid Drivers License or ID Card.)

The undersigned certifies that the above responses are true and accurate to the best of my knowledge and belief.

Full Name (Type or Print) _____

Title _____

Signature _____

_____ Date _____

Notary Public _____

Notary Seal

My Commission Expires _____, 20_____

Authorization for Background Check and Release Financial Institution & Credit Union 05-20-2011