



Division of Banking

**State of Rhode Island
DEPARTMENT OF BUSINESS REGULATION
1511 Pontiac Avenue, Bldg. 68-1
Cranston, Rhode Island 02920**

DECISION AND ORDER

IN RE:

**APPLICATION OF BRISTOL COUNTY SAVINGS BANK
TO ESTABLISH INTERSTATE BRANCH OFFICES AT
584 PUTNAM PIKE,
GREENVILLE, RHODE ISLAND 02828
AND
2152 MENDON ROAD
CUMBERLAND, RHODE ISLAND 02864**

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 Bristol County Savings Bank (the "Applicant"), a savings bank chartered by the State of Massachusetts with a principal office located at 29 Broadway, Taunton, Massachusetts 02780, for approval to establish two full service branch offices to be located at 584 Putnam Pike, Greenville, Rhode Island 02828 and 2152 Mendon Road, Cumberland, Rhode Island 02864 (the "Application"), pursuant to R. I. Gen. Laws §§ 19-2-11 and 19-7-9 and for the issuance of certificates of public convenience and advantage in connection therewith.

The Application was filed on March 20, 2020. The Division published a notice of the filing of the Application on its website on May 11, 2020. The Application was available for public inspection and comment in the office of the Division from May 11, 2020 to June 1, 2020. The Division did not receive any written comments or objections regarding the Application during the comment period.

Evidence was submitted to the Division in support of the Application, which 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 branches. The Applicant provided a statement, which described the means by which the proposed branches would promote the public convenience and advantage of the communities to be served as well as information on the benefits of the proposed branches to the communities to be served and the impact on the safety and soundness of the Applicant.

II. APPLICABLE LAW

a. Public Convenience and Advantage Standard

The Superintendent of the Division (the "Superintendent"), or the Superintendent's designee, is expressly authorized by R. I. Gen. Laws §§ 19-2-3, 19-2-11 and 19-7-9 to issue a certificate of public convenience and advantage with respect to the establishment of a branch for a Rhode Island 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 Superintendent with respect to the standard of public convenience and advantage, it is the policy of the Superintendent, and the Division under the supervision of the Superintendent, 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 Superintendent 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 Superintendent 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 Superintendent, 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. § 2901 *et seq.*, and the state CRA, R. I. Gen. Laws §19-9-4, are applicable. The Superintendent believes that CRA factors are relevant and important in determining whether a certificate of public convenience and advantage should be issued. On June 24, 2019, when the last CRA Performance review was performed, the Applicant received a "Satisfactory" CRA performance evaluation rating from the Federal Deposit Insurance Corporation ("FDIC") and "High Satisfactory" from the Massachusetts Division of Banks.

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.

d. Reciprocity with Home State

R. I. Gen. Laws §19-7-9 expressly authorizes the Superintendent 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 the state under conditions not substantially more restrictive than those imposed by the laws of Rhode Island, as determined by the Superintendent.

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 branches. The proposed branches are currently branches of Freedom National Bank, a National Association ("Freedom Bank") and are being acquired by the Applicant in connection with a Stock Purchase

Agreement (the “Agreement”) that was entered into on January 14, 2020 between the Applicant, Freedom Bank and Berkshire Financial Services, (“Berkshire”). Freedom Bank is a subsidiary of Berkshire, a Massachusetts mutual holding company. As part of the Agreement, the Applicant will acquire all the outstanding stock of Freedom Bank from Berkshire. Immediately following the stock purchase, Freedom Bank will merge into the Applicant pursuant to a separate bank merger agreement. The Applicant provided a statement that describes the means by which the proposed branches would promote the public convenience and advantage of the community to be served as well as information on the benefits of the proposed branches to the communities to be served and the impact on the safety and soundness of the Applicant. Based upon the documentary evidence filed with the Division, the Superintendent hereby makes the following findings of fact:

1. The Division received from Bristol County Savings Bank the Application pursuant to R. I. Gen. Laws § 19-2-11 and 19-7-9 on June 19, 2018.

2. The Notice of Application Filed was posted on the Department’s website from May 11, 2020 through June 1, 2020 in accordance with R. I. Gen. Laws § 19-1-3.

3. The public inspection and comment period for the Application extended from May 11, 2020 through June 1, 2020 during which time the Application was available for public inspection and comment in the office of the Division. No letters of comment or objection were received by the Division 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 Massachusetts and a regulated institution as defined in R. I. Gen. Laws § 19-1-1.

5. The service area for the Applicant's proposed Greenville and Cumberland branches will be the community of Providence County.

6. Approval of the Application will offer to existing Freedom Bank customers and prospective new customers an array of retail banking services in the proposed service area.

7. The Applicant has provided a copy of its latest CRA evaluation which evidences its compliance with CRA and non-discrimination laws and regulations and to address the communities' credit needs in which it is expanding. The evaluation was performed on June 24, 2019 and was rated by the FDIC as "Satisfactory" and the Massachusetts Division of Banks as “High Satisfactory”.

8. Financial information provided by the Applicant adequately demonstrates the financial strength of the Applicant with respect to safety and soundness issues. The Applicant has the management capability required to operate the proposed branches.

9. Applicant filed applications with the Federal Deposit Insurance Corporation ("FDIC"), and the Commonwealth of Massachusetts. By letter dated June 4, 2020, the FDIC notified the Applicant of its approval of Freedom Bank to merge with and into the Applicant. Additionally, the Commonwealth of Massachusetts granted approval of the transaction on July 8, 2020.

IV. CONCLUSIONS OF LAW

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

1. R. I. Gen. Laws §§19-2-3, 19-2-11 and 19-7-9 authorize the Superintendent to issue the certificates of public convenience and advantage in connection with the Application.

2. The Notice 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 branches are in the public interest, will promote the convenience and advantage of the communities to be served by the proposed branches and will maintain the beneficial effect on the economy and on the citizens of the communities currently being served by the existing branches, all consistent with safe and sound banking practices consistent with the requirements of Rhode Island law and the standard for issuing the certificates 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's deposits at the proposed branch will have federal deposit insurance.

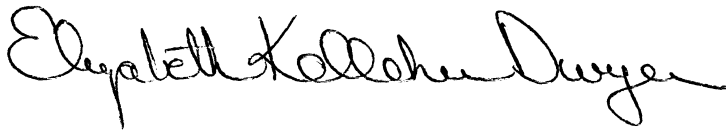
V. DECISION AND ORDER

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

That the Application of Bristol County Savings Bank to establish branch offices to be located at 584 Putnam Pike, Greenville, Rhode Island 02828 and 2152 Mendon Road, Cumberland, Rhode Island 02864 and for the issuance of certificates 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 §19-2-11, and 19-7-9 subject to the following conditions:

1. The certificates of public convenience and advantage become effective in accordance with the provisions outlined in the Decision issued by the Commonwealth of Massachusetts on July 8, 2020.
2. That the Applicant opens the proposed branches within one (1) year of the date of this Decision and Order; if it has not opened the branches within one (1) year, it must promptly return the certificates of public convenience and advantage to the Division for cancellation unless good cause is demonstrated for an extension.

ENTERED AS ADMINISTRATIVE ORDER 20BK011 BY THE SUPERINTENDENT OF THE DIVISION OF BANKING AS OF THIS 9th DAY OF JULY 2020.



Elizabeth Kelleher Dwyer, Superintendent of Banking
Rhode Island Department of Business Regulation

NOTICE OF APPELLATE RIGHTS

THIS DECISION CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R.I.G.L. § 42-35-12. PURSUANT TO R.I.G.L. § 42-35-15, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE MAILING DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. THE FILING OF THE COMPLAINT DOES NOT ITSELF STAY ENFORCEMENT OF THIS ORDER. THE AGENCY MAY GRANT, OR THE REVIEWING COURT MAY ORDER, A STAY UPON THE APPROPRIATE TERMS.