

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**



**DEPARTMENT OF BUSINESS REGULATION  
DIVISION OF BANKING  
1511 PONTAIC AVENUE  
CRANSTON, RI 02920**

**DECISION AND ORDER**

**IN RE:**

**APPLICATION OF FALL RIVER FIVE CENTS SAVINGS BANK  
TO ESTABLISH AN INTERSTATE BRANCH OFFICE AT  
590 METACOM AVENUE  
BRISTOL, RHODE ISLAND 02809**

**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 Fall River Five Cents Savings Bank, a Commonwealth of Massachusetts savings bank with a principal office at 70 North Main Street, Fall River, Massachusetts 02720 (the "Applicant"), for approval to establish an interstate branch office to be located at 590 Metacom Avenue, Bristol, Rhode Island 02809 (the "Application"), pursuant to R. I. Gen. Laws § 19-2-11 and 19-7-9 and for the issuance of a certificate of public convenience and advantage in connection therewith.

The Application was filed with the Division on December 11, 2013. Applicant published notice of the filing of the Application during three consecutive weeks, specifically on December 23, 2013, December 30, 2013 and January 6, 2014 in The Providence Journal, a newspaper of general circulation in the State of Rhode Island and in The Herald News, a newspaper of general circulation in Fall River, Massachusetts. The Application was available for public inspection and comment in the office of the Division from December 23, 2013 through January 10, 2014. No letters of comment or objection were received by the Division 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. 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 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. § 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 an "Outstanding" CRA performance evaluation rating from the Federal Deposit Insurance Corporation ("FDIC") on March 26, 2012, 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.

*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 community to be served as well as information on the benefits of the proposed branch to the community to be served and the impact on the safety and soundness of the Applicant. Based upon the documentary evidence filed with the Division, the Director hereby makes the following findings of fact:

1. The Division received from Fall River Five Cents Savings Bank the Application pursuant to R. I. Gen. Laws §§ 19-2-11 and 19-7-9 on December 11, 2013.

2. The Applicant published a Notice of Application Filed during three consecutive weeks, specifically on December 23, December 30, and January 6, 2014 in The Providence Journal in accordance with R. I. Gen. Laws § 19-1-3 and also in The Herald News.

3. The public inspection and comment period for the Application extended from December 23, 2013 through January 10, 2014 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 Commonwealth of Massachusetts.

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

6. Approval of the Application will benefit local consumers and businesses by increasing competition and thereby promoting the best terms on deposits and loans. The branch office will also create five to seven new jobs in Rhode Island.

7. The Division has reviewed the Applicant's latest CRA Performance Evaluation which evidences its intent to comply with CRA and non-discrimination laws and regulations and to address the communities' credit needs consistent with its past performance, which was last rated by the Commonwealth of Massachusetts on March 26, 2012 as "Outstanding".

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 branch.

9. The Federal Deposit Insurance Corporation ("FDIC") was notified of the filing of the Application. By letter dated January 15, 2014, the FDIC notified the Applicant of its approval of the establishment of the proposed branch as of January 16, 2014.

#### **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 §§ 19-2-3, 19-2-11 and 19-7-9 authorize the Director to issue the certificate 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 branch is in the public interest; will promote the convenience and advantage of the communities to be served by the proposed branch; will have a beneficial effect on the economy and on the citizens of the communities to be served by the proposed 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's deposits at the proposed branch will have federal deposit insurance.

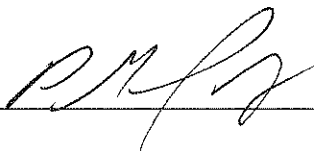
**V. DECISION AND ORDER**

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

That the application of Fall River Five Cents Savings Bank to establish a branch office including the operation of an additional electronic branch (ATM), 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 § §19-2-11 and 19-7-9, subject to the following condition:

1. That the Applicant opens the proposed branch within one (1) year of the date of this Decision and Order; if it has not opened the branch within one (1) year, it must promptly return the certificate of public convenience and advantage to the Division for cancellation unless good cause is demonstrated for an extension.

ENTERED AS ADMINISTRATIVE ORDER NUMBER 14-03 OF THE DIRECTOR OF THE DEPARTMENT OF BUSINESS REGULATION AS OF THIS 3rd DAY OF FEBRUARY 2014.



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Paul E. McGreevy, Director  
State of Rhode Island  
Department of Business Regulation