

OFFICE OF THRIFT SUPERVISION

**Approval of Organization and Acquisition
of a Federal Savings Bank**

Order No.: 97-110

Date: October 23, 1997

Ukrop's Super Markets, Inc., Richmond, Virginia, Ukrop's Thrift Holdings, Inc., Richmond, Virginia and Ukrop's Services, Inc., Richmond, Virginia (together, the "Holding Companies"), have applied to the Office of Thrift Supervision ("OTS"), to organize and acquire First Market Bank, FSB, Memphis, Tennessee (the "Savings Bank"), a federal stock savings bank, pursuant to 12 U.S.C. §§ 1464(e) and 1467a(e), and 12 C.F.R. §§ 543.3, 552.2-1 and 574.3. The Savings Bank will be a member of the Savings Association Insurance Fund. In conjunction with the transaction, the Holding Companies have requested a waiver of 12 C.F.R. § 543.3(d)(1) which requires that a majority of the board of directors be representative of the state in which the Savings Bank is located.

The OTS has considered the holding company and permission to organize applications under the standards set forth in 12 U.S.C. §§ 1464(e), 1464(r) and 1467a(e), and 12 C.F.R. §§ 543.3, 552.2-1(b), 556.5 and 574.7, and under the Community Reinvestment Act, 12 U.S.C. §§ 2901 et seq., and the OTS regulations thereunder, 12 C.F.R. Part 563e. In addition, the OTS has also considered the digest by the OTS Central Regional Office ("Regional Office"), a legal opinion by the Business Transactions Division, and an analysis by Corporate Activities. Based on its review, the OTS has determined that the holding company and permission to organize applications satisfy all applicable statutory and regulatory criteria, provided that the conditions set forth below are satisfied. Accordingly, the holding company and permission to organize applications are hereby approved, subject to the following conditions:


- (1) The Holding Companies and the Savings Bank must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals provided to the Regional Office;
- (2) On the business day prior to the date of consummation of the proposed transaction, the Chief Financial Officers of the Holding Companies and the Savings Bank shall certify in writing to the Central Regional Director that no material or adverse changes have occurred with respect to the financial condition or operation of the Holding Companies and the Savings Bank, respectively, as disclosed in the applications, including but not limited to directors, shareholders, or the business plan; and provided further, that no additional

information having an adverse bearing on any feature of the applications has been brought to the attention of the Holding Companies, the Savings Bank or the OTS since the date of the financial statements submitted with the applications;

- (3) The proposed transaction must be consummated within one hundred and twenty (120) calendar days from the date of this Order or within such additional period as the Central Regional Director, or his designee, may grant;
- (4) The Holding Companies and the Savings Bank must advise the Regional Office in writing within 10 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction and of the Savings Bank's insurance of accounts and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the applications and this Order;
- (5) The Savings Bank shall submit independent audit reports to the Regional Office for its first three fiscal years. These reports shall be in compliance with the audit rules set forth at 12 C.F.R. Section 562.4;
- (6) The Savings Bank shall provide for employment of senior executive officers who shall be charged with full administrative and material responsibilities of the Savings Bank under policies established by its board of directors. The performance of such individuals will be periodically reviewed and their continued employment will be subject to the approval of the Central Regional Director, or his designee, for a period of three years.

The OTS has reviewed the request for waiver of the requirements of 12 C.F.R. § 543.3(d)(1) with respect to the composition of the Savings Bank's board, and has concluded that waiver of 12 C.F.R. § 543.3(d)(1) would not conflict with any statutory provision, and that there is good cause to grant the waiver. Accordingly, the requested waiver of 12 C.F.R. § 543.3(d)(1) is hereby approved.

By order of the Director of the Office of Thrift Supervision,
or his designee, effective October 23, 1997.



John F. Downey
Executive Director, Supervision