

**OFFICE OF THRIFT SUPERVISION**

**Approval of Organization of a Federal Mutual Savings  
Bank and its Purchase of Assets and  
Assumption of Liabilities of a  
Federal Credit Union;  
Service Corporation Notice**

**Order No.** 97-99

**Date:** September 23, 1997

BUCS Federal Credit Union, Owings Mills, Maryland (the "Credit Union"), has applied to the Office of Thrift Supervision ("OTS"), pursuant to 12 U.S.C. § 1464(e) and 12 C.F.R. § 543.2 to organize a Federally chartered, mutual savings bank to be known as BUCS Federal (the "Savings Bank"), Owings Mills, Maryland. The Savings Bank will be a member of the Savings Association Insurance Fund.

An application has also been filed with the OTS, under 12 C.F.R. §§ 546.2 and 563.22, for the Savings Bank to purchase the assets and assume the liabilities of the Credit Union. (Collectively, the foregoing applications are referred to herein as the "Applications.") The Credit Union has provided notice (the "Notice") pursuant to 12 C.F.R. § 559.11 that the Savings Bank proposes to operate a subsidiary, C.U. Benefits, Inc., as a service corporation subsidiary to provide stock brokerage and related services, including life insurance and annuities.

The OTS has considered the Applications under the standards set forth in 12 U.S.C. § 1464(e), and 12 C.F.R. §§ 543.2(g) and 563.22(d), and has determined that the Applications satisfy all applicable statutory and regulatory criteria, provided that the conditions set forth below are satisfied. In addition, the OTS has determined that approval of the Applications would be consistent with the Community Reinvestment Act. Accordingly, the Applications are hereby approved, subject to the following conditions:

1. The Credit Union 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 OTS Southeast Regional Office;

2. Prior to the effective date of the transaction, each proposed director of the Savings Bank must agree in writing that if the FBI fingerprint review discloses negative information that would cause the OTS Southeast Regional Director to object to any individual director's service, that director will resign from the board of directors of the Savings Bank;

3. On the business day prior to the date of consummation of the proposed transaction, the Chief Financial Officer of the Credit Union shall certify in writing to the OTS Southeast Regional Director that no material adverse changes have occurred with respect to the financial condition or operation of the Credit Union since the date of the financial statements submitted with the Applications;

4. The proposed transaction must be consummated within one hundred twenty (120) calendar days from the date of this Order or within such additional period as the OTS Southeast Regional Director, or his designee, may grant;

5. The Savings Bank must advise the OTS Southeast Regional Office, in writing, within five (5) calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the Applications and this Order;

6. The Savings Bank must submit a final accounting of the transaction to the OTS Southeast Regional Director within thirty (30) calendar days after the effective date of the proposed transaction;

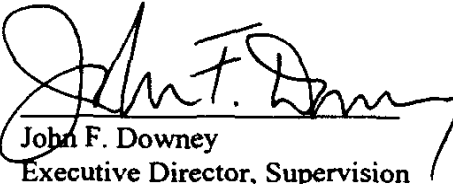
7. Within five (5) calendar days of the effective date of the transaction, the board of directors of the Savings Bank must certify, in writing, that investments with any corporate credit union will be disposed of at the earliest possible date without material loss to the Savings Bank, but no later than one year from the date of the transaction, unless such period is extended for good cause by the OTS Southeast Regional Director, or his designee;

8. The Savings Bank shall be subject to an annual audit by an independent accountant, pursuant to 12 C.F.R. § 562.4, for the three (3) fiscal years following consummation of the proposed transaction; and

9. Within one year of consummation of the transaction, the Savings Bank will increase its board of directors by adding two individuals who are not associated with Blue Cross-Blue Shield

of Maryland, or the health care industry. These individuals must be approved by the OTS Southeast Regional Director, or his designee, prior to their service as directors.

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



John F. Downey  
Executive Director, Supervision