



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

December 18, 2009

Corporate Decision #2010-01
February 2010

Mr. Mitchell Glassman
Director, Division of Resolutions and Receiverships
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20219

Subject: Application to Charter Deposit Insurance National Bank of New Baltimore
Charter Number: 24970
Application Control Number: 2009-WO-01-0026

Dear Mr. Glassman:

The Office of the Comptroller of the Currency ("OCC") hereby approves the Federal Deposit Insurance Corporation's ("FDIC") application to charter a new national bank, under 12 U.S.C. § 1821(m), to assume the insured deposits of Citizens State Bank, New Baltimore, Michigan ("Citizens"), an insured bank in default, and to perform other activities specified below. The proposed title of the national bank is Deposit Insurance National Bank of New Baltimore ("DINB"). The DINB will be located in New Baltimore, Michigan. The FDIC may commence the operations of DINB immediately upon receipt of this letter. We will forward you a Charter Certificate under separate cover.

On December 18, 2009, the FDIC was appointed receiver for Citizens by the Commissioner of the Michigan Office of Finance and Insurance Regulation. On December 18, 2009 the Director for the Division of Resolutions and Receiverships ("Director DRR"), under authority delegated from the Board of Directors of the FDIC,¹ determined that it is advisable and in the interest of the depositors of Citizens or the public to organize DINB to assume the insured deposits of Citizens and to perform temporarily the functions provided for in section 1821(m).² The Board of Directors also authorized the Director DRR, or designee, to organize DINB and take any actions necessary to organize and operate DINB.

¹ See Resolution of the Board of Directors of the FDIC bearing Seal Number 077473, dated December 15, 2009 ("FDIC Board Resolution").

² Section 1821(m) provides: "As soon as possible after the default of an insured depository institution, the Corporation, if it finds that it is advisable and in the interest of the depositors of the insured depository institution in default or the public, shall organize a new national bank or Federal savings association in the same community as the insured depository institution in default to assume the insured deposits of such depository institution in default and otherwise to perform temporarily the functions hereinafter provided for."

On December 18, 2009, the Director DRR's designee filed an application to organize DINB.³ According to the application, the OCC understands that DINB will enter into a purchase and assumption agreement with the FDIC in its role as the receiver for Citizens under which deposits and sufficient appropriate assets will be transferred to DINB.⁴ The application also included the FDIC's request for the OCC to authorize DINB to transact business in certain respects related to the functions set out in section 1821(m), but not expressly listed therein.⁵

The OCC approves the FDIC's organization of DINB. Upon commencing business, DINB is authorized:

1. To assume the insured deposits of Citizens and otherwise to perform temporarily the functions set out in 12 U.S.C. § 1821(m).
2. To assume certain other deposits of Citizens identified in the FDIC Board Resolution and in the Purchase and Assumption Agreement Among the Federal Deposit Insurance Corporation as Receiver of Citizens, the Federal Deposit Insurance Corporation, and DINB.
3. To pay interest on deposits assumed by DINB, if so determined by the FDIC, at a rate up to the contract rate until the earlier of thirty (30) days from the date of this approval or, in the case of time or savings deposits, the maturity date.
4. To maintain branches at the sites of Citizens' branches.⁶
5. To invest in those securities that are eligible for investment by national banks under 12 U.S.C. § 24(Seventh), in addition to investments permitted under 12 U.S.C. § 1821(m).
6. To transact business without requiring its officers and employees to obtain fidelity coverage, in view of the coverage of DINB's losses and expenses under 12 U.S.C. § 1821(m).
7. To assume such other assets and liabilities, and to engage in such other activities, as are necessary for DINB to carry out its obligations under the Purchase and Assumption

³ See Letter from Leslie S. Sallberg, Counsel, Special Issues Unit, FDIC, to Stephen Lybarger, Large Bank Licensing Lead Expert, OCC, dated December 18, 2009.

⁴ See 12 U.S.C. § 1821(m)(1), (8), (11) & (14).

⁵ Under 12 U.S.C. § 1821(m)(9), "[T]he new depository institution, unless otherwise authorized by the Comptroller of the Currency or the Director of the Office of Thrift Supervision, as appropriate, shall transact business only as authorized by this Act and as may be incidental to its organization." The FDIC represents and concurs that the requested activities are permissible for a DINB under Section 11(m) of the Federal Deposit Insurance Act, 12 U.S.C. § 1821(m).

⁶ In addition to its main office in New Baltimore, Michigan, Citizens operated six branches in Chesterfield Township, Clinton Township, Mount Clemens, New Baltimore, Shelby Township and Anchorville, Michigan.

Agreement Among the Federal Deposit Insurance Corporation as Receiver of Citizens, the Federal Deposit Insurance Corporation, and DINB.

8. To engage in other incidental activities as may be convenient and useful to carry out any of the above activities.

This approval letter, together with the Charter Certificate to be provided later, constitutes the Comptroller's certificate of authority and authorization for DINB to commence and transact business.

The FDIC has appointed a FDIC Resolutions and Receivership Specialist to serve as executive officer of DINB under 12 U.S.C. § 1821(m)(4).

As provided for in 12 U.S.C. § 1821(m), DINB will terminate (i) upon the issuance of sufficient stock to investors and the ending of its status as a deposit insurance national bank, (ii) the transfer of its assets and liabilities to another insured depository institution, or (iii) in any event within two (2) years of the granting of this charter. DINB must provide the OCC with adequate notice prior to termination.

If you have any questions please contact Stephen A. Lybarger at (202) 874-5294 or by e-mail at Stephen.Lybarger@occ.treas.gov .

Sincerely,

Lawrence E. Beard

Lawrence E. Beard
Deputy Comptroller Licensing