

OFFICE OF THRIFT SUPERVISION

**APPROVAL OF APPLICATIONS FOR PERMISSION TO
ORGANIZE A FEDERAL SAVINGS BANK AND
HOLDING COMPANY ACQUISITION**

Order No.: 98-103

Date: September 25, 1998

Alliance Capital Partners, LP, Alliance Capital Partners, Inc., the Benjamin Curry Quazzo Minority Trust and the Caroline T. Quazzo Minority Trust (the "Applicants"), have applied to the Office of Thrift Supervision ("OTS"), pursuant to 12 U.S.C. §§ 1464(e) and 1467a(e), and 12 C.F.R. §§ 552.2-1 and 574.3, to organize and acquire First Alliance Bank, Jacksonville, Florida (the "Savings Bank"). (The foregoing are collectively referred to herein, as "the Applications.") The Savings Bank will be a member of the Savings Association Insurance Fund.

The OTS has considered the Applications under the standards set forth in 12 U.S.C. §§ 1464(e) and 1467a(e), and 12 C.F.R. §§ 543.3, 552.2-1(b), 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 considered the digest by the OTS Southeast Regional Office ("Regional Office"), a legal opinion by the Business Transactions Division, and an analysis by Corporate Activities (collectively the "Staff Memoranda"). For the reasons set forth in the Staff Memoranda, the OTS has determined that the Applications satisfy all applicable statutory and regulatory criteria, provided that the conditions set forth below are satisfied. Accordingly, the Applications are hereby approved, subject to the following conditions:

1. The Applicants 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. Prior to opening, the Savings Bank must receive approval from the Southeast Regional Director regarding the proposed Chief Lending Officer;
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 Southeast Regional Director, or his designee, may grant;
4. On the business day prior to the date of consummation of the proposed transaction, the Chief Financial Officers of the Applicants and the Savings Bank must certify in writing to the Southeast Regional Director that no material adverse changes have occurred with respect to the financial condition or operation of the Applicants and the Savings Bank, respectively, since the date of the financial statements submitted with the Applications;

5. No later than five days from the date that the Savings Bank opens for business, the Chief Financial Officer must provide a reconciliation of capital for both the Savings Bank and the Applicants;
6. The Applicants and the Savings Bank must advise the Regional Office in writing within five 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;
7. The Savings Bank must submit independent audit reports to the Southeast Regional Director for its first three fiscal years. These reports shall comply with the audit rules set forth in 12 C.F.R. § 562.4;
8. Any tax sharing agreement between the Applicants and the Savings Bank must receive the prior written approval of the Southeast Regional Director;
9. Any material deviation from the Community Reinvestment Act Plan must be submitted to the Southeast Regional Director for review and non-objection. The revised plan must be submitted no later than thirty days prior to the desired implementation date;
10. The Savings Bank must operate within the parameters of its business plan. Any proposed major deviations or material changes from the plan will require the Savings Bank to submit a revised business plan for the approval of the Southeast Regional Director, or his designee. The request for change must be submitted a minimum of 30 days before the proposed change is implemented;
11. The Savings Bank's Year 2000 Project Management Program must adhere to the terms, deadlines, requirements and conditions contained in the Year 2000 guidance issued by the OTS and/or the Federal Financial Institutions Examination Council ("FFIEC"), including the May 5, 1997 *FFIEC Year 2000 Project Management Awareness* statement, the December 17, 1997 *FFIEC Safety and Soundness Guidelines Concerning the Year 2000 Business Risk*, the March 17, 1998 *FFIEC Guidance Concerning Institution Due Diligence in Connection with Service Provider and Software Vendor Year 2000 Readiness*, the March 17, 1998 *FFIEC Guidance Concerning the Year 2000 Impact on Customers*, the April 10, 1998 *Guidance Concerning Testing for Year 2000 Readiness*, the May 13, 1998 *Guidance Concerning Contingency Planning in Connection with Year 2000 Readiness*, the May 13, 1998 *Guidance on Year 2000 Customer Awareness Programs*, the September 2, 1998 *Guidance Concerning Fiduciary Services and Year 2000 Readiness* and any subsequent OTS or FFIEC Year 2000 guidance, regulations or other requirements.

By order of the Director of the Office of Thrift Supervision, or her designee,
effective 9/25/98.



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