

**FEDERAL DEPOSIT INSURANCE CORPORATION**

**In Re:** CheckSpring Bank (In Organization)  
Bronx County, New York  
Application for Federal Deposit Insurance  
(Bank Insurance Fund)

**ORDER**

The undersigned, acting on behalf of the Board of Directors pursuant to delegated authority, has fully considered all available facts and information relevant to the factors of Section 6 of the Federal Deposit Insurance Act relating to the application for Federal deposit insurance for CheckSpring Bank (the Bank), a proposed new state-chartered, commercial bank to be located at 69 East 167<sup>th</sup> Street, Bronx, New York, and has concluded that the application should be approved.

Accordingly, it is hereby **ORDERED**, for the reasons set forth in the attached Statement, that the application submitted by the Bank for Federal deposit insurance be, and the same hereby is, approved subject to the following conditions:

1. That beginning paid-in capital funds of not less than \$13,400,000 be provided;
2. That the Tier 1 capital to assets leverage ratio (as defined in the Federal Deposit Insurance Corporation's capital regulation) will be maintained at not less than eight percent throughout the first three years of operation and that an adequate allowance for loan and lease losses will be provided;
3. That any changes in proposed management or proposed ownership (10 percent or more of stock), including new acquisitions of or subscriptions to 10 percent or more of stock, shall be approved by the Regional Director of the FDIC's New York Regional Office (Regional Director) prior to the opening of the Bank;
4. That the Bank will operate within the parameters of the business plan submitted to the FDIC. During the first three years of operations, the Bank will notify the Regional Director of any proposed major deviation or material change from the submitted plan 60 days before consummation of the change;
5. That the Bank will obtain an audit of financial statements by an independent public accountant annually for at least the first three years after deposit insurance is effective, furnish a copy of any reports by the independent auditor (including any management letters) to the Regional Director within 15 days after their receipt by the Bank and notify the Regional Director within 15 days when a change in its independent auditor occurs;
6. That an accrual accounting system will be adopted for maintaining the bank's books;

7. That the individuals selected to serve as Chief Lending Officer and Controller shall be acceptable to the Regional Director;
8. That, prior to the effective date of Federal deposit insurance, the Bank shall obtain fidelity bond coverage in a sufficient amount to conform to generally accepted banking practices;
9. That the written approval of the Regional Director will be obtained prior to the acquisition of any check-cashing entity by CheckSpring Financial Services;
10. That Federal deposit insurance shall not become effective unless and until the Bank has been granted a charter, that it has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the appropriate State Authority;
11. That until the conditional commitment herein granted becomes effective, the FDIC shall have the right to alter, suspend or withdraw said commitment should any interim development be deemed to warrant such action; and
12. That if Federal deposit insurance has not become effective within twelve months from the date of this **ORDER**, or unless, in the meantime, a request for an extension of time has been approved by the FDIC, the consent granted herein shall expire at the end of the said twelve-month period.

Dated at Washington, D.C. this 15<sup>th</sup> day of December 2005.

**FEDERAL DEPOSIT INSURANCE CORPORATION**

BY: /s/

Lisa K. Roy  
Associate Director  
Division of Supervision and Consumer Protection

**FEDERAL DEPOSIT INSURANCE CORPORATION**

**In Re: CheckSpring Bank (In Organization)  
Bronx, Bronx County, New York  
Application for Federal Deposit Insurance  
(Bank Insurance Fund)**

**STATEMENT**

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act (12 U.S.C. § 1815), an application for Federal deposit insurance has been filed for CheckSpring Bank (the Bank), a proposed new state-chartered, commercial bank to be located at 69 East 167<sup>th</sup> Street, Bronx, Bronx County, New York.

The Bank will operate as a commercial bank offering core banking products and services through a combination of traditional bank branches and check cashing locations. These check cashing locations will be acquired by the bank's wholly-owned subsidiary, CheckSpring Financial Services. The Bank will be a wholly-owned subsidiary of CheckSpring Community Corporation, a Delaware corporation.

For the purposes of this proposal, capital is adequate, projections for future earnings prospects are favorable, management is considered satisfactory, and the investment in fixed assets is reasonable. Corporate powers to be exercised are consistent with the purpose of the Federal Deposit Insurance Act. No formal objections to this proposal have been filed and no undue risk to the insurance fund is apparent.

Accordingly, based upon careful evaluation of all available facts and information, the Associate Director, acting under delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**ASSOCIATE DIRECTOR  
DIVISION OF SUPERVISION AND CONSUMER PROTECTION  
FEDERAL DEPOSIT INSURANCE CORPORATION**