

In Re: CNLBank, Southwest Florida
Bonita Springs, Florida
(Applications for Federal Deposit Insurance, Two Messenger Services, and the Purchase of the Assets and Assumption of the Deposit Liabilities of Two Branches of CNLBank, Orlando, Florida)

ORDER

The undersigned, acting on behalf of the Board of Directors of the FDIC, pursuant to delegated authority, has fully considered all available facts and information relevant to the factors of Sections 6 and 18(c) of the Federal Deposit Insurance Act and relating to the applications for Federal deposit insurance for CNLBank, Southwest Florida, a proposed new State nonmember bank to be located at 9124 Bonita Beach Road, Bonita Springs, Florida; for the Corporation's consent to acquire assets of and assume liability to pay deposits made in branches located at 9124 Bonita Beach Road, Bonita Springs, Lee County, Florida and 1567 Main Street, Sarasota, Sarasota County, Florida, of CNLBank, Orlando, Orange County, Florida; and for consent to establish messenger services in Lee and Sarasota County, Florida.

Essentially a corporate reorganization, the application to acquire the assets and assume liabilities would provide a means by which CNLBancshares Inc., Orlando, Florida, an existing multi-bank holding company which controls CNLBank, Orlando, Florida, with aggregate total deposits of \$723,261,000 and the proposed bank may restructure some of its operations. The proposed transaction would not affect the structure of commercial banking or the concentration of banking resources within the relevant market. Services to be offered in the relevant market by the resultant bank would not differ materially from those presently offered by the proponents.

A review of available information, including the Community Reinvestment Act (CRA) Statement of the proponents, discloses no inconsistencies with the purpose of the CRA. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

In connection with the applications, the Corporation has taken into consideration the financial and managerial resources and future prospects of the proponent institutions and the resultant bank, and the convenience and needs of the community to be served. The Corporation has also taken into consideration the effectiveness of CNLBank, Orlando, Florida, in combating money laundering activities. Having found favorably on these statutory factors and having considered other relevant information, including the competitive factors report furnished by the Attorney General of the United States, it is the Corporation's judgment that the applications submitted by CNLBank, Southwest Florida, Bonita Springs, Florida, for Federal deposit insurance, to acquire assets and assume liabilities of the Bonita Springs and Sarasota branches of CNLBank, and to establish a messenger service in Lee and Sarasota Counties should be and hereby are approved subject to the following conditions:

- (1) That beginning paid-in capital funds of not less than \$20,000,000 be provided, of which not less than \$10,000,000 shall be allocated to common capital and not less than \$10,000,000 to surplus;

- (2) That the Tier 1 capital to assets leverage ratio (as defined in the appropriate capital regulation and guidance of the institution's primary federal regulator) 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% or more of stock), including new acquisitions of or subscriptions to 10% or more of the stock, shall be approved by the FDIC prior to opening of the bank;
- (4) That CNLBancshares, Inc., Orlando, Florida, has obtained approval of the Board of Governors of the Federal Reserve System to acquire voting stock control of the proposed depository institution prior to its opening for business;
- (5) That full disclosure has been made to all proposed directors and stockholders of the facts concerning any insider transaction, including the identity of the parties to the transaction and the terms and costs involved (an insider is one who is or is proposed to be a director, officer, or incorporator of an applicant, a shareholder who directly or indirectly controls 10 or more percent of any class of the applicant's outstanding voting stock; or the associates or interests of any such person);
- (6) That an accrual accounting system be adopted for maintaining the bank's books;
- (7) That sufficient fidelity coverage on the bank's active officers and employees to conform with generally accepted banking practices be obtained prior to opening for business;
- (8) That the bank obtain an audit of its financial statements by an independent public accountant annually for at least the first three years after deposit insurance coverage is effective and submit to the Atlanta Regional Office (i) a copy of the audited financial statements and the independent public auditor's report thereon within 90 days after the end of the bank's fiscal year, (ii) a copy of any other reports by the independent auditor (including any management letters) within 15 days of receipt, and (iii) written notification within 15 days when a change in its independent auditor occurs;
- (9) That the bank shall operate within the parameters of the business plan submitted to the FDIC, and, furthermore, during the first three years of operations, the bank shall notify the Regional Director of the FDIC of any proposed major deviation or material change from the submitted plan 60 days before consummation of the change;

- (10) That Federal deposit insurance shall not become effective unless and until the applicant has been granted a charter as a depository institution, that it has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the Florida Department of Financial Regulation;
- (11) That until the bank is established, the Corporation shall have the right to alter, suspend, or withdraw the said commitment should any interim development be deemed to warrant such action;
- (12) That if 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 Corporation, the consent granted shall expire at the end of the said twelve-month period.

Dated at Atlanta, Georgia, this 2nd day of March, 2007.

FEDERAL DEPOSIT INSURANCE CORPORATION

MARK S. SCHMIDT, REGIONAL DIRECTOR

By: _____
Mark S. Schmidt
Regional Director
Atlanta Region