

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Sunshine Savings Bank
Tallahassee, Leon County, Florida

Application for Federal Deposit Insurance
(Deposit Insurance Fund)

ORDER

The undersigned, acting on behalf of the Board of Directors of the Federal Deposit Insurance Corporation (FDIC), 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 and relating to the application for Federal deposit insurance for Sunshine Savings Bank, a proposed new Federal mutual savings bank to be located at 1400 East Park Avenue, Tallahassee, Leon County, Florida, and has concluded that the application should be approved.

In conjunction with the application for Federal deposit insurance, the proponent has also provided the FDIC with a concurrent notice pursuant to section 18(m) of the FDI Act and section 362.15 of the FDIC's Rules and Regulations regarding the establishment of a subsidiary. For reasons indicated in the attached Statement, the FDIC makes no objection to this proposed action.

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

- (1) That beginning paid-in capital funds of not less than \$17,000,000 be provided, of which not less than \$17,000,000 shall be allocated to retained earnings and 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 shall be approved by the FDIC prior to the Bank's opening;
- (4) 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;

- (5) That in connection with the Bank's participation in the Credit Union Service Corporation, Duluth, Georgia, ("CUSC"), Network to provide services at the Bank's offices to customers of institutions participating in the CUSC Network ("Participating Institutions"), the Bank must ensure that documentation exists that describes (i) the legal relationship between the Bank and Florida Credit Union Shared Services, Inc., Florida, ("FCUSS") and the CUSC Network, and the services to be provided by the Bank; (ii) the respective rights and responsibilities of the Bank, FCUSS and the CUSC Network; (iii) the costs payable by the Bank and the fees to be received by the Bank for its services; (iv) the risk of loss for items in transit and indemnification provisions, if any; (v) procedures for identifying, segregating, and recording items received on behalf of a Participating Institution; (vi) procedures for maintaining financial privacy, identifying customers and verifying transactions; and (vii) procedures for recordkeeping and reporting. In addition,
- (a) To the extent that the services provided by the Bank to customers of Participating Institutions include receiving deposits for credit to accounts at institutions not insured by the FDIC, the Bank must designate a separate teller's window or station dedicated solely to receiving such deposits, and this teller's window or station cannot display the FDIC sign; and
 - (b) The Bank must disclose in writing to a Participating Institution customer that the customer's deposit is received only for credit to an account at the Participating Institution and that deposits to such accounts are not insured by the FDIC.
- (6) That in connection with the Bank's participation in Tallahassee Shared Services, Inc. ("TSS") to provide services to Bank customers at the TSS facility that include receiving deposits of Bank customers for credit to accounts at the Bank, (a) there must be a separate teller's window or station at the TSS facility dedicated solely to receiving such deposits; and (b) TSS and the Bank must enter into a written agreement that sets forth (i) the legal relationship between the parties and their respective rights and responsibilities; (ii) the costs payable by the Bank with respect to TSS; (iii) the risk of loss for items in transit and indemnification provisions, if any; (iv) procedures for identifying, segregating, and recording items received at the TSS facility; (v) procedures for maintaining financial privacy, identifying customers and verifying transactions; and (vi) procedures for recordkeeping and reporting.
- (7) 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 Office of Thrift Supervision;

- (8) That until the Bank is established, the FDIC shall have the right to alter, suspend, or withdraw the said commitment should any interim development be deemed to warrant such action; and,
- (9) 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 FDIC, the consent granted shall expire at the end of the said twelve-month period.

Dated at Washington, D.C., this 10th day of May, 2007.

FEDERAL DEPOSIT INSURANCE CORPORATION

By: _____ /s/
Gale A. Simons-Poole
Acting Associate Director
Division of Supervision and Consumer Protection

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Sunshine Savings Bank (Proposed)
Tallahassee, Leon County, Florida
Application for Federal Deposit Insurance
(Deposit 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 Sunshine Savings Bank (Bank). The Bank plans to convert from a credit union to a Federal mutual savings bank that will be located at 1400 East Park Avenue, Tallahassee, Leon County, Florida.

Shortly after opening, the Bank plans to convert to a Federal stock savings bank and form a mutual holding company that will attempt to raise \$10,000,000 in capital through the sale of stock.

The Bank will have its main office, two branch offices, and a loan production office in Tallahassee, Florida, and one branch office in Pembroke Pines, Broward County, Florida. Their primary and secondary trade areas will be the Tallahassee MSA and Miami-Fort Lauderdale MSA, respectively. The Bank will primarily extend residential real estate and consumer loans in these two trade areas.

The Bank plans to continue participating in two branch sharing relationships it currently participates in as a credit union. The Bank plans to participate in the Credit Union Service Corporation (CUSC) Network, a co-operative network of credit unions across the United States with over 2,500 shared branching locations, as a transaction services provider for credit union members. However, the Bank's customers will not utilize the CUSC Network. The Bank also plans to participate in a shared branching arrangement with Tallahassee Shared Services, Inc., Tallahassee, Florida (TSS), an entity owned by three credit unions and the Bank. Bank customers will utilize services at TSS.

For purposes of this proposal, capital is adequate, projections for future earnings prospects are favorable, management is considered satisfactory, and investment in fixed assets is acceptable. 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.

In conjunction with the application for Federal deposit insurance, a notice was also submitted advising the FDIC of the establishment of a service corporation subsidiary, Sunshine Member Insurance Services, Inc., pursuant to section 18(m) of the Federal Deposit Insurance Act and section 362.15 of the FDIC Rules and Regulations. Proponents have indicated that the subsidiary will be adequately capitalized and will maintain a separate corporate identity. Subsidiary activities will not pose a risk to the Bank or to the Deposit Insurance Fund. Based upon those factors, the FDIC does not object to the establishment of the proposed subsidiary.

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.

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