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**Comptroller of the Currency  
Administrator of National Banks**

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Washington, D.C.

**Conditional Approval #1043  
August 2012**

July 26, 2012

Julius L. Loeser, Esq.  
Winston & Strawn, LLP  
35 West Wacker Dr.  
Chicago, IL 60601-9703

Re: Change in Bank Control Act Notices in Connection with the Proposed Acquisition of Talbots Classics National Bank, Lincoln, RI by Stefan L. Kaluzny, Sycamore Partners MM, L.L.C., et al  
OCC Control No.: 2012-WE-11-0001

Dear Mr. Loeser:

The Comptroller of the Currency (OCC) has reviewed and evaluated the Notice of Change in Bank Control (CBC Notice) involving Talbots Classics National Bank, Lincoln, Rhode Island, a limited purpose national bank engaged in credit card activities (the Bank). The OCC hereby determines that the CBC Notice is technically complete and does not disapprove the proposed change in control. The OCC has determined that the statutory factors it is required to consider under the Change in Bank Control Act are consistent with this decision. The OCC's decision not to disapprove the change in control is subject to the following condition:

Stefan L. Kaluzny and Sycamore Partners MM, L.L.C., et al (Controlling Parties) shall take all steps necessary to ensure that the commitments set forth in their letter dated July 24, 2012, to Louis Gittleman, Senior Licensing Analyst, are fully adopted, timely implemented and adhered to thereafter.

This condition is a condition "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 U.S.C. § 1818. As such, the condition is enforceable under 12 U.S.C. § 1818.

**Proposed Change in Control**

The Bank is currently a wholly-owned subsidiary of The Talbots, Inc, Lincoln, Rhode Island (Talbots). Stefan L. Kaluzny and Sycamore Partners MM, L.L.C., et al (Acquiring Parties), have proposed to acquire Talbots, a publically traded company, through a Tender Offer dated June 15,

2012. Following the successful closing of the Tender Offer, which is scheduled to expire July 27, 2012, the Acquiring Parties will own no less than 90 percent of the outstanding Talbots stock and will thereby have indirect control of the Bank.

## **Conclusion**

The date of consummation of this change in control must be provided to the Western District Office within 10 days after consummation. The transaction must be consummated as proposed in the CBC Notice. If any of the terms, conditions, or parties to the transaction described in the CBC Notice change, the OCC must be informed in writing prior to consummation to determine if any additional action or reconsideration is required. In such situations, the OCC reserves the right to require submission of an amended or new Notice of Change in Bank Control.

In addition, unless an extension is granted, the transaction must be consummated within six months of the date of this letter. Failure to consummate within six months or an approved extended time period granted by the OCC will cause this decision to lapse and require the filing of a new notice and payment of the appropriate filing fee if the acquirer wishes to proceed with the change in bank control.

Background checks requested by the OCC have not all been received yet. Although we have decided not to delay action pending receipt of those responses, the OCC may consider remedies available under the Change in Bank Control Act or other statutes, if adverse or previously withheld information is received.

You are reminded that pushdown accounting is required for a change in control of at least 95% of the voting stock of a bank. Under pushdown accounting, when a bank is acquired, yet retains its separate corporate existence, the assets and liabilities of the acquired bank are restated to their fair values as of the acquisition date. Those values, including any goodwill, are reflected in the financial statement of the parent and the acquired bank.

This decision and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. Our decision is based on the representations made in the CBC Notice, other submissions, and other information available to the OCC as of this date. The OCC may modify, suspend, or rescind this decision if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Talbots Classics National Bank  
Change in Bank Control  
Re: Stefan L. Kaluzny and Sycamore Partners, MM, L.L.C.  
**OCC Control No. 2012-WE-11-0001**  
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A separate letter is enclosed requesting your feedback on how we handled your application. We would appreciate your response so we may improve our service.

If you have any questions, contact Senior Licensing Analyst Louis Gittleman at (720) 475-7650, or by e-mail at [louis.gittleman@occ.treas.gov](mailto:louis.gittleman@occ.treas.gov). You should include the application control number on any correspondence related to this filing.

Sincerely,

*Stephen A. Lybarger*

Stephen A. Lybarger  
Deputy Comptroller, Licensing