
Comptroller of the Currency
Administrator of National Banks

Central District Office
440 South LaSalle, Suite 2700
Chicago, Illinois 60605

September 15, 2000

**Corporate Decision #2000-19
November 2000**

Ms. Lynda Gilbert
Executive Vice President
The First National Bank of Manchester
120 Town Square
Manchester, Kentucky 40962

Re: Control CAIS No. 2000-CE-05-088

Dear Ms. Gilbert:

On September 15, 2000, the Comptroller of the Currency (OCC) approved your application to establish a branch at **403 North Main Street, London, Laurel County, Kentucky 40741**. This approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and by the bank's representatives. This letter also is the OCC's authorization to establish Branch No. **118624A**, to be known as the **Route 33 Branch** at the above-noted address.

The McFadden Act incorporates, and applies to national banks, state law governing intrastate branching by state banks. In this respect, the Act authorizes a national bank to establish new branches "at any point within the State in which said association is situated, if such establishment and operation are at the time authorized to State banks by the statute law of the State in question . . ." 12 U.S.C. § 36(c)(2). The bank is "situated" in Kentucky for purposes of section 36(c)(2) because its main office, as well as its branches, is located in Kentucky.

Effective July 15, 2000, a new provision was added to the Kentucky statutes permitting statewide branching by state banks. See 2000 KY S.B. 169, Section 1. This provision, which will become a new section of Chapter 287 of the Kentucky Revised Statutes, gives Kentucky state banks that have a "1" or a "2" CAMEL rating the same powers as certain other financial institutions, including federal thrifts. 2000 KY S.B. 169, Section 1, paragraphs (1) and (2)(c). Federal thrifts are permitted to branch statewide in any state, including Kentucky, where their home office is located. See 12 C.F.R. § 556.5. Accordingly, under this new provision of state law, Kentucky state banks that have a "1" or a "2" CAMEL rating, may branch statewide in Kentucky. As a result, the McFadden Act permits the bank to establish the proposed branch.

The branch will occupy an existing building located at 403 North Main Street, London, Kentucky. The building, known as the Pennington Infirmary, is listed in the National Register of Historic Places. The Kentucky Heritage Council, State Historic Preservation Office ("SHPO") reviewed the bank's proposal for establishing this branch and found that it would have no adverse effect on the building.

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The OCC concurs with the SHPO's finding. Accordingly, the bank should establish the branch in conformance with its proposal as submitted to and reviewed by the SHPO. Any deviations from that proposal will need to be communicated to and reviewed by the SHPO and the OCC in advance.

If the branch is not opened within 18 months from this approval date, the approval automatically terminates, unless the OCC grants an extension.

If the branch is closed, a 90-day advance notice of proposed branch closing must be submitted to the OCC pursuant to 12 USC 1831r-1. Following the expiration of the 90-day notification period, this authorization is no longer valid.

Within 10 days of opening, the bank must advise this office in writing of the branch's opening date, so the OCC may complete its records. ***Please reference the CAIS Control Number in your letter.***

If you have any questions, please contact the undersigned or Assistant Applications Examiner Connie Arrington at (312) 360-8851.

Sincerely,

-signed-

David J. Rogers
National Bank Examiner