

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF BUSINESS REGULATION  
DIVISION OF BANKING  
1511 PONTIAC AVENUE, BUILDING 68-2  
CRANSTON, RI 02920**

**DECISION AND ORDER**

**IN RE:**

**APPLICATION OF ROCKLAND TRUST COMPANY  
TO ESTABLISH AN INTERSTATE TRUST OFFICE AT  
10 MEMORIAL BOULEVARD, SUITE 904  
PROVIDENCE, RI 02903**

**I. JURISDICTIONAL STATEMENT AND TRAVEL OF THE CASE**

This matter came before the Department of Business Regulation ("Department"), Division of Banking ("Division") upon the application of Rockland Trust Company, a Massachusetts trust company with a principal office at 288 Union Street, Rockland, MA 02370 (the "Applicant") for approval to establish an interstate trust office to be located at 10 Memorial Boulevard, Suite 904, Providence, Rhode Island 02903 (the "Application") pursuant to R. I. Gen. Laws §§19-1-3, 19-7-9 and 19-3.1-6 and for the issuance of a certificate of public convenience and advantage in connection therewith.

The Application was filed on May 6, 2011. Notice of the filing of the Application was published by Applicant during three consecutive weeks, specifically on June 16, 2011, June 23, 2011, and June 27, 2011 in the Providence Journal, a newspaper of general circulation in the state of Rhode Island, and in the Quincy Patriot Ledger, a newspaper in general circulation in the Town of Rockland, MA. The Application was available for public inspection and comment in the office of the Division from June 17, 2011 through July 1, 2011. The Division received no letters of comment or objection in connection with the Application during the comment period.

## II. APPLICABLE LAW

### **a. Public Convenience and Advantage Standard**

The Director of the Department (the "Director"), or the Director's designee, is expressly authorized by R. I. Gen. Laws §§ 19-1-3, 19-2-3 and 19-3.1-6 to issue a certificate of public convenience and advantage with respect to the establishment of an interstate trust office by a bank or trust company organized under the laws of another state upon consideration of factors consistent with the creation of a regulated institution and upon compliance with other applicable provisions of R. I. Gen. Laws Title 19. Although R. I. Gen. Laws Title 19 does not expressly delineate the factors that must be considered by the Director with respect to the standard of public convenience and advantage, it is the policy of the Director, and the Division under the supervision of the Director, to consider such factors as (a) the benefits to the community or communities to be served, such as the products and services to be provided by the proposed trust office, and (b) the effects of the proposal on the public interest, such as the effect on employment, the economy and the tax base of the State. In addition, the Director considers the safety and soundness of the institution, making application and the effect of the proposal on the strength and stability of the financial community as a whole.

Under applicable law, therefore, the Director may issue a certificate upon a finding that the benefits flowing from the applicant's proposed activities will run to the public, that the applicant's proposed activities are fitting or suited to the public and will result in a gain or benefit to the public, that the proposed activity will not materially adversely affect the safety and soundness of the regulated institution, and that the application is in conformance with applicable law.

### **b. Community Reinvestment Act Standard**

It has been the policy of the Director, in reviewing applications from state chartered

institutions, to determine whether an applicant will adhere to Community Reinvestment Act ("CRA) standards. The principles inherent in CRA require institutions to address the credit needs of the communities they serve. Both the federal CRA, 12 U.S.C. § 2901 et seq, and the state CRA, R. I. Gen. Laws § 19-9-4, are applicable. The Director believes that CRA factors are relevant and important in determining whether a certificate of public convenience and advantage should be issued.

**c. Reciprocity with Home State**

R. I. Gen. Laws § 19-3.1-6(b) expressly authorizes the Director to approve an application for a trust office within Rhode Island by an out-of-state bank if: (i) the laws of the state in which the out-of-state bank is principally located authorizes the out-of-state bank to exercise trust powers; (ii) a Rhode Island financial institution may establish a trust office in the state in which the out-of-state bank is principally located under conditions not substantially more restrictive than those imposed by the laws of Rhode Island, as determined by the Director; (iii) the out-of-state bank has satisfied the standards and followed the procedures set forth in this R. I. Gen. Laws Title 19 for the establishment of branches for financial institutions; and (iv) the out-of-state bank located in another state executes and files in the office of the Director or the Director's designee a written instrument appointing the Director or the Director's designee in his or her name of office its true and lawful attorney upon whom all writs and other legal process may be served in any legal proceeding relating to trust activities conducted in this state.

**III. FINDINGS OF FACT**

Evidence was submitted to the Division in support of the Application that included responses to questions contained in the Application and various documents attached as exhibits to the Application.

Specifically, information was provided on the Applicant and the proposed trust office. The Applicant provided a statement that described the means by which the proposed trust office would promote the public convenience and advantage of the communities to be served as well as information on the benefits of the proposed trust office to the communities to be served and the impact on the safety and soundness of the Applicant. Based upon the documentary evidence filed with the Division, the Director hereby makes the following findings of fact:

1. On May 6, 2011 the Division duly received the Application pursuant to R. I. Gen. Laws §§ 19-1-3 and 19-3.1-6.

2. Applicant published a Notice of Application Filed during three consecutive weeks, specifically on June 16, 2011, June 23, 2011, and June 27, 2011 in the Providence Journal and in the Quincy Patriot Ledger in accordance with R. I. Gen. Laws § 19-1-3.

3. The public inspection and comment period for the Application extended from June 17, 2011 through July 1, 2011 during which time the Application was available for public inspection and comment in the office of the Division. The Division received no letters of comment or objection in connection with the Application during the comment period, therefore no public hearing was held.

4. Applicant is an out-of-state trust company authorized pursuant to Massachusetts General Laws Chapter 167G to exercise trust powers.

5. Approval of the Application will result in an additional banking institution offering trust services that will increase competition in the State of Rhode Island.

6. The Applicant has provided a copy of its latest CRA Performance Evaluation that evidences its intent to comply with CRA and non-discrimination laws and regulations and to address the credit needs of the communities it serves.

7. Financial information obtained about the Applicant adequately demonstrates the financial strength of the Applicant with respect to safety and soundness issues and the Applicant's ability to operate the proposed trust office.

8. A courtesy copy of the Application was also filed with the Massachusetts Division of Banks ("Massachusetts Department").

9. The General Laws of Massachusetts Title XXII, Chapter 172, Section 9A permits a Rhode Island financial institution with trust powers and a principal place of business not in Massachusetts to conduct trust activities and to establish a trust office in Massachusetts under conditions not substantially more restrictive than those imposed by the laws of Rhode Island.

10. Applicant was previously approved to establish and operate a trust office in Lincoln, Rhode Island, which effectively is being relocated to the new location as provided herein.

#### **IV. CONCLUSIONS OF LAW**

Based upon the documentary evidence filed with the Division, the Director hereby makes the following conclusions of law:

1. R. I.Gen. Laws §§ 19-1-3 and 19-3.1-6 authorize the Director to issue the certificate of public convenience and advantage in connection with the Application.

2. The Notices of Application Filed satisfy the requirements of R. I. Gen. Laws § 19-1-3 with respect to the publication of notice for the proposed trust office.

3. The proposed trust branch is in the public interest; will promote the convenience and advantage of the community to be served by the proposed trust office; will have a beneficial effect on the economy and on the citizens of the community to be served by the trust office, all consistent with safe and sound banking practices and with the requirements of Rhode Island law and the standard for issuing the certificate sought by the Applicant.

4. The Application complies with the spirit and intent of R. I. Gen. Laws § 19-9-4 regarding credit needs of local communities.

5. The Application satisfies the standards delineated in R. I. Gen. Laws §19-3.1-6(b).

#### V. DECISION AND ORDER

Upon review and consideration of the documentary evidence in the record presented in this matter, it is hereby ORDERED:

That the application of Rockland Trust Company to establish an interstate trust office, and for the issuance of a certificate of public convenience and advantage in connection therewith is hereby approved in accordance with, and with the general effect provided for in R. I. Gen. Laws §§ 19-2-3 and 19-3.1-6, subject to the following conditions:

1. That Applicant opens the proposed interstate trust office within one (1) year of the date of the Decision and Order; if it has not opened the interstate trust office within one (1) year, it must promptly return the certificate of public convenience and advantage to the Division for cancellation unless good cause is demonstrated for an extension.

2. That Applicant maintains with the Rhode Island General Treasurer its existing asset pledge and deposit requirements in compliance with R.I. Gen. Laws §§ 19-3.1-7 and 19-3.1-8.

ENTERED AS ADMINISTRATIVE ORDER NUMBER 11-066 OF THE  
DIRECTOR OF THE DEPARTMENT OF BUSINESS REGULATION AS OF THIS  
18th DAY OF AUGUST 2011.

  
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Paul E. McGreevy, Director  
Rhode Island Department of Business Regulation