



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

SCOTT G. ALVAREZ  
GENERAL COUNSEL

December 7, 2016

Thomas E. Walker, Jr., Esq.  
Brunini, Grantham, Grower & Hewes, PLLC  
190 East Capitol Street  
The Pinnacle Building, Suite 100  
Jackson, Mississippi 39201-2151

Dear Mr. Walker:

This is in response to your letter, dated November 29, 2016, and received on December 1, to the Federal Reserve Bank of Atlanta requesting a waiver from an application requirement under the Bank Holding Company Act of 1956, as amended (“BHC Act”),<sup>1</sup> for Trustmark Corporation (“TRMK”), Jackson, Mississippi, a bank holding company, to acquire RB Bancorporation (“Bancorporation”), a bank holding company, and thereby indirectly acquire its wholly-owned subsidiary state nonmember bank, Reliance Bank, both of Athens, Alabama.

The purpose of the proposed transaction is to facilitate the merger of Reliance Bank with and into TRMK’s wholly-owned subsidiary, Trustmark National Bank (“TNB”), Jackson, Mississippi. The transaction would occur as follows: (1) Trustmark Acquisition Corporation, a wholly-owned subsidiary of TRMK formed solely for the purpose of facilitating the transaction, would merge with and into Bancorporation, with Bancorporation as the resulting entity; (2) Bancorporation would merge with and into TRMK, with TRMK as the resulting entity; and (3) Reliance Bank would then merge with and into TNB, with TNB as the resulting entity (“Bank Merger”). You have indicated that Reliance Bank would exist as a wholly-owned subsidiary of TRMK for only a moment in time and that Reliance Bank would never operate as a separate subsidiary of TRMK.

Section 3 of the BHC Act and the Board’s Regulation Y require the approval of the Board before the merger or consolidation of bank holding companies and before a bank holding company may acquire direct or indirect ownership or control of a

---

<sup>1</sup> 12 U.S.C. § 1841 *et seq.*

bank.<sup>2</sup> Through the transaction described above, TRMK is merging with Bancorporation and indirectly acquiring Reliance Bank. Accordingly, TRMK would be required to obtain the Board's approval under section 3 of the BHC Act and Regulation Y before acquiring Bancorporation and Reliance Bank.

In certain circumstances, however, in order to avoid duplication of regulatory review by federal banking regulators, the Board's rules provide that a bank holding company seeking to merge with another bank holding company or acquire shares or control of a bank need not obtain the Board's prior approval. Specifically, section 225.12(d)(2) of the Board's Regulation Y provides that a bank holding company need not receive the Board's approval if the transaction is subject to review by a federal banking agency under section 18(c) of the Federal Deposit Insurance Act ("the Bank Merger Act"),<sup>3</sup> and meets certain other criteria.<sup>4</sup> Your proposal meets all of the applicable criteria, and TRMK has provided all necessary information.

The Bank Merger requires the prior approval of the Office of the Comptroller of the Currency ("OCC") under the Bank Merger Act.<sup>5</sup> In acting on the merger proposal, the OCC must consider the impact the acquisition would have on competition, the financial and managerial resources and future prospects of the combined organization, the convenience and needs of the communities served by Reliance Bank and TNB, the institutions' records of performance under the Community Reinvestment Act, the institutions' effectiveness in combating money laundering activities, and risks to the stability of the United States banking or financial system.<sup>6</sup> These criteria are substantially similar to the criteria the Board would consider under section 3 of the BHC Act.<sup>7</sup>

Additionally, at no time would Reliance Bank operate as a separate subsidiary of TRMK. Following the transaction, the separate corporate existence of Reliance Bank would cease, and TNB would continue to operate as a national bank.

---

<sup>2</sup> 12 U.S.C. § 1842(a); 12 CFR 225.11.

<sup>3</sup> 12 U.S.C. § 1828(c).

<sup>4</sup> 12 CFR 225.12(d)(2).

<sup>5</sup> 12 U.S.C. § 1828(c). TNB filed a Bank Merger Act application with the OCC dated November 28, 2016, requesting prior approval of the Bank Merger. TRMK has provided the Board with a copy of the application.

<sup>6</sup> 12 U.S.C. §§ 1828(c)(5) and (11), 2902(3)(E), 2903(a)(2).

<sup>7</sup> See 12 U.S.C. § 1842(c); 12 CFR 225.13.

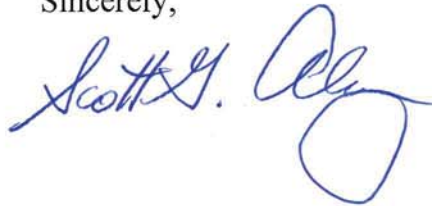
Under these circumstances, review of the transaction under section 3 of the BHC Act would be duplicative of the review under the Bank Merger Act.

Based on a review of these and other facts presented, the Legal Division believes that no regulatory purpose would be served by requiring TRMK to file a formal application under section 3 of the BHC Act. The Legal Division, therefore, would not recommend that the Board take action to require a filing of a formal application by TRMK in connection with the transaction described above. This opinion is subject to the receipt by TRMK, TNB, Bancorporation, and Reliance Bank of all other necessary regulatory approvals and compliance with any terms and conditions that may be imposed upon approval of the proposal.

This opinion is based on all the facts and representations presented to Federal Reserve staff. Any material change in those facts or representations should be communicated immediately to Federal Reserve staff and may cause this opinion to be reconsidered. This opinion is limited to this proposal and does not apply to any other transaction.

If you have any questions regarding this matter, please contact Derald Seid at (202) 452-2246 or Evans Muzere at (202) 452-2621, of my staff.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott G. O'Leary". The signature is fluid and cursive, with a large loop at the end.

cc: Office of the Comptroller of the Currency