



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

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 19, 1997

Mr. Mark J. Menting
Sullivan & Cromwell
125 Broad Street
New York, New York 10004-2498

Dear Mr. Menting:

The Secretary of the Board of Governors of the Federal Reserve System, acting pursuant to authority delegated by the Board, and having considered the record of these applications in light of the relevant statutory factors, has approved the application by Wachovia Corporation, Winston-Salem, North Carolina ("Wachovia"), pursuant to section 3 of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842), to merge with 1st United Bancorp ("1st United"), and thereby acquire 1st United Bank, both of Boca Raton, Florida.^{1/} In addition, the Secretary has reviewed the notice filed by Wachovia under section 4 of the Bank Holding Company Act ("BHC Act"), to acquire Island Investment Services, Inc., Palm Beach, Florida, and thereby engage in securities brokerage activities. This activity has been determined by the Board to be closely related to banking under section 225.28(b)(7)(i) of the Board's Regulation Y (12 C.F.R. 225.25(b)(7)(i)).

Wachovia has certified that all the criteria set forth in section 4(j)(4) of the BHC Act are met and has filed the information required under that section. Based on all the facts of record, including relevant examination, financial and other reports maintained by the Federal Reserve System, the System does not object to the consummation of the proposal at this time. As provided in section 4(j)(4)(C)(i) of the BHC Act, the Secretary's determination on Wachovia's notice to engage in securities brokerage activities is subject to all the restrictions, terms, and conditions imposed by the Board on

^{1/} 1st United has granted Wachovia an option to acquire up to 19.9 percent of the voting shares of 1st United under certain circumstances. Wachovia has not requested Board approval for that transaction, but has indicated that Board approval would be obtained prior to the exercise of the option.

the securities brokerage activities of bank holding companies. Approval of this notice is subject to the Board's authority to require reports by, and make examinations of, holding companies and their subsidiaries and to require such modification or termination of activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the Act, and the Board's regulations and orders issued thereunder.

In approving these applications and the related notice, the Secretary has relied on all the facts of record and all representations and commitments made by Wachovia in the applications and notice and in related correspondence in light of the factors set forth in the BHC Act. These commitments are conditions imposed in writing in connection with the findings and decision herein, and, as such, may be enforced under applicable provisions of law.

The acquisition of and merger with 1st United may not be consummated before the fifteenth calendar day following the effective date of this order, or later than three months after the date of this order, and the acquisition of Island Investment Services, Inc., should be consummated within three months after the effective date of this order, unless such period is extended for good cause by the Federal Reserve Bank of Richmond. In connection with these provisions, advice of the fact of consummation should be given in writing to the Reserve Bank.

Very truly yours,



Jennifer J. Johnson
Deputy Secretary of the Board

cc: Federal Reserve Bank of Richmond
Department of Justice
Federal Deposit Insurance Corporation
Florida State Comptroller