

BUREAU OF FINANCIAL INSTITUTIONS  
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION  
STATE OF MAINE

ORDER APPROVING APPLICATION OF PENTEGRA SERVICES, INC., PLAINS,  
NEW YORK TO ACQUIRE CONTROL OF RSGROUP TRUST COMPANY,  
PORTLAND, MAINE

Pentegra Services, Inc., White Plains, New York ("Pentegra") filed an application, pursuant to Title 9-B M.R.S.A. Chapter 101 to acquire control of RSGroup Trust Company, Portland, Maine ("RSTrust"). Public notice, as required by Title 9-B M.R.S.A. 252.2(B), was provided by publication, posting on the Bureau's website and mail to interested parties affording them an opportunity to either submit written comments or request a hearing. The Bureau received no comments during the public comment period ending October 6, 2008.

A Principal Bank Examiner of the Maine Bureau of Financial Institutions conducted an investigation of this transaction. All evidence and pertinent material which were considered by the Examiner were also considered by the Superintendent in reaching his decision.

RSTrust is a nondepository trust company, chartered pursuant to Title 9-B M.R.S.A. Chapters 31 and 121, that provides trust, custody and administrative services for qualified and non-qualified programs. At June 30, 2008, RSTrust had fiduciary assets of \$1.7 billion.

Pentegra is a wholly-owned subsidiary of Pentegra Defined Benefit Plan for Financial Institutions which, along with Pentegra Defined Contribution Plan for Financial Institutions, comprises "Pentegra Retirement Services." Pentegra Retirement Services is a national provider of retirement products and services to financial institutions. Pentegra Retirement Services manages more than 800 retirement programs and more than \$4.5 billion in assets for more than 90,000 employees.

The financial and managerial resources of both RSTrust and Pentegra are satisfactory. Other statutory factors are consistent with approval and therefore the application of Pentegra Services, Inc. to acquire control of RSGroup Trust Company is approved, subject to the following conditions:

1. RSTrust shall maintain Tier 1 capital (as defined in Bureau Regulation 27) not less than the greater of (a) \$1 million or (b) the sum of (1) 10 basis points (0.10%) of discretionary assets and (2) 5 basis points (0.05%) of nondiscretionary assets, including assets held in custody, unless a different amount is established by the Superintendent pursuant to 9-B

MRSA §412-A (2). As such, the Superintendent reserves the right to change the above formula for determining ongoing capital adequacy.

2. If RSTrust fails to maintain Tier 1 capital in the minimum amount specified above in Condition #1, RSTrust shall be deemed to have inadequate capital and the Bureau shall have the authority to take any action authorized by Regulation 27.
3. Prior to the effective date of the acquisition and pursuant to 9-B MRSA § 1213-A, RSTrust shall pledge readily marketable assets having a fair value of at least \$500,000 to the Bureau.
4. At all times, RSTrust shall maintain liquid assets at least equal to 50% of the minimum Tier 1 requirement.
5. All transactions between RSTrust and any affiliates shall be subject to the provisions of 9-B MRSA § 468.
6. During the first two years of operation after consummation of the ownership change, RSTrust shall not implement any material change or deviation from its operating plan without the prior written approval of the Bureau.
7. During the first two years of operation after consummation of the ownership change, the Bureau must review and have no objection to any proposed executive officer or director of RSTrust.

Pentegra has requested a partial waiver of the thirty-day waiting period so that the transaction may be consummated at the end of October, 2008. Pentegra has already closed on three of the five subsidiaries it is acquiring from Retirement System Group and will have regulatory authority to acquire the fourth subsidiary, Retirement System Distributors Inc., by the end of October. For operational reasons, Pentegra would like to complete the acquisition in a single closing. The Superintendent has determined that extraordinary or unusual conditions exist and, therefore, agrees to grant the waiver in order that this transaction may be consummated after the close of business October 31, 2008. Additionally, there were no objections received during the public comment period. The transaction shall be completed within one year of the effective date of this Order, unless a written extension is granted by the Superintendent.

Any person aggrieved by this Order shall be entitled to a judicial review of the Order in accordance with the Maine Administrative Procedure Act, Title 5, Chapter 375, subchapter VII.

By order of the Superintendent, effective October 31, 2008.

/s/ Lloyd P. LaFountain III  
Superintendent  
Gardiner, Maine  
October 20, 2008