

Federal Reserve Bank of Boston
BANK NOTES

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TD Bank Financial Group to Acquire Commerce Bancorp

Toronto-Dominion (TD) Bank Financial Group of Toronto, Canada, and owner of TD Banknorth, announced its on October 2, 2007, announced its plans to acquire Commerce Bancorp, Inc. of Cherry Hill, NJ.

The \$8.5 billion (U.S.D.) cash and stock deal will create the seventh largest bank in North America, based on the number of branches. The merged entity will have more than 2,000 branches in North America and approximately one-quarter of a trillion dollars in deposits – marking the first time a bank has had a critical mass in both the United States and Canadian markets.

With the merger, anticipated to be finalized in March or April of 2008, TD Bank will expand its market share in New York, New Jersey, Connecticut, and Pennsylvania, while entering the Virginia, Delaware, Washington, D.C., and Florida markets. (Boston Globe, 10/2/07; TD Bank press release, 10/2/07; SNL Interactive, 10/2/07)

Mergers and Acquisitions

On October 17, 2007, RFS Holdings, B.V. of Amsterdam, Netherlands, acquired ABN AMRO Holdings N.V., of Amsterdam, Netherlands. The Royal Bank of Scotland of Edinburgh, Scotland, UK, owns 38 percent of RFS Holdings, while Fortis Bank Nederland Holding of Utrecht, Netherlands, and Banco Santander of Santander, Spain own 33.3 percent and 27.9 percent respectively. (Internal sources, 10/29/07)

Crescent Credit Union of Brockton, MA, completed its acquisition of Unity Credit Union of Brockton, MA on September 30, 2007. (Internal sources, 10/12/07)

Dukes County Savings Bank of Edgartown, MA, completed its acquisition of Martha's Vineyard Co-operative Bank of Vineyard Haven, MA, on November 1, 2007. The combined banks operate under a new corporate title, "Martha's Vineyard Savings Bank" of Edgartown, MA. (Internal sources, 11/02/07)

Ledyard Financial Group, Inc. of Hanover, NH, acquired Ledyard National Bank of Norwich, VT, on October 5, 2007. (Internal sources, 10/19/07)

Mechanics Cooperative Bank of Taunton, MA, completed its acquisition of Bridgewater Cooperative Bank of Bridgewater, MA, on November 1, 2007. (Internal Sources, 11/02/07)

Mutual Security Credit Union, Inc. of Wilton, CT completed its acquisition of Technology Groups Federal Credit Union of Watertown, CT on September 1, 2007. (Internal Sources, 10/05/07)

New Hampshire Thrift Bancshares, Inc. (NHTB) of Newport, NH, announced on October 1, 2007, that it completed its acquisition of First Community Bank, of Woodstock, VT. First Community Bank is now part of Lake Sunapee, FSB, which is a wholly owned subsidiary of NHTB. The combined company has total assets of approximately \$832.8 million and a network of 29 branches in New Hampshire and Vermont. (Internal sources, 10/05/07, First Community press release, 10/01/07)

Ocean Bank of Portsmouth, NH, completed its acquisition of Community Bank and Trust Company of Wolfeboro, NH, on November 1, 2007. Ocean Bank is a subsidiary of Chittenden Corporation of Burlington, VT. (Internal sources, 11/02/07; Chittenden Corporation press release, 10/31/07)

New Britain Municipal Employees Credit Union of New Britain, CT, merged into Achieve Financial Credit Union of Meriden, CT, on October 1, 2007. (Internal sources, 10/12/07)

Rockland Trust Co., a unit of Independent Bank Corp. Inc., both of Rockland, MA, announced on October 11, 2007, that it had agreed to acquire Slade's Ferry Bancorp of Somerset, MA. The \$103.5 million deal will expand Rockland Trust's presence in Bristol County, Massachusetts, by nine branches. Pending regulatory approval, the transaction is expected to close during the

first quarter of 2008. (SNL Bank M&A Weekly, 10/15/07; Independent Bank Corp Press Release, 10/11/07)

On November 1, 2007, Independent Bank Corp unit Rockland Trust, both of Rockland, MA, completed its acquisition of O'Connell Investment Services Inc. of Lincoln, RI. The transaction adds approximately \$200 million to the assets already under management by Rockland Trust. (SNL Bank & Thrift Daily, 11/02/07)

Corporate Title Changes

On September 20, 2007, Gardiner Savings Institution FSB of Gardiner, ME, changed its corporate title to Savings Bank of Maine. (Internal sources, 9/28/07)

Wendor Mutual Benefit Association Credit Union of West Hartford, CT, changed its corporate title to West Hartford Credit Union, Inc. effective opening of business on September 20, 2007. (Internal sources, 9/28/07)

Branch Openings/Closings

Benjamin Franklin Bank of Franklin, MA, opened a branch on Main Street in Watertown, MA on October 24, 2007. (Internal sources, 11/02/07)

FamilyFirst Bank of Ware, MA, opened a branch at 1090 West Main Street in East Brookfield, MA, on October 1, 2007. (Internal sources, 11/02/07)

Institution for Savings (formerly Institution for Savings in Newburyport and Its Vicinity) of Newburyport, MA, opened a branch on Haverhill Street in Rowley, MA. (Internal sources, 10/19/07)

Mansfield Cooperative Bank of Mansfield, MA, opened a branch at 729 West Center Street in West Bridgewater, MA, on October 9, 2007. (Internal sources, 11/02/07)

Mount Washington Co-Operative Banks of South Boston, MA, opened a branch on Talbot Avenue in Dorchester, MA, on August 7, 2007. (Internal sources, 11/02/07)

People's United Bank, a unit of People's United Financial Inc., of Bridgeport, CT, opened a branch in Milford, CT, on October 24, 2007. The new branch is People's bank's 86th branch. (SNL Bank Mergers & Acquisitions Weekly, 10/29/07; People's United Bank press release, 10/22/07)

On Citizens, NA of Providence, RI, closed four branches on October 9, 2007. Branches closed at the following locations: Main Street in Medford, MA; Edgell Road in Framingham, MA; Broad Street in Hudson, MA; and Riverside Avenue in Medford, MA. (Internal sources, 10/12/07, 10/19/07)

RBS Citizens, NA, of Providence, RI, opened a "Stop & Shop" branch on Walkes Brook Drive in Reading, MA, on September 21, 2007. (Internal sources, 9/28/07)

TD Banknorth, NA of Portland, ME, opened a branch on Boylston Street, in Boston, MA on September 10, 2007. (Internal sources, 10/12/07)

Webster Bank, NA of Waterbury, CT, opened a branch in Longmeadow, MA on September 24, 2007. (Internal sources, 10/12/07)

On October 18, Webster Bank opened a branch on River Street in New Rochelle, NY. A third branch was opened in Longmeadow, MA on October 19, 2007. (Internal sources, 10/26/07; SNL Bank Mergers & Acquisitions Weekly, 10/22/07)

Conversion

Meridian Interstate Bancorp, a unit of Meridian Financial Services, Inc., of East Boston, MA, plans to offer up to 13,291,125 shares of stock at \$10.00 each in connection with the planned conversion of East Boston Savings Bank into a mutual holding company. (SNL Bank & Thrift Weekly, Northeastern Edition, 10/01/07)

Rule Proposed to Implement "Unlawful Internet Gambling Enforcement Act"

The Department of the Treasury and the Federal Reserve Board of Governors announced the release of a joint proposed rule to implement the Unlawful Internet Gambling Enforcement Act (the Act) on October 1, 2007. The Act prohibits gambling businesses from accepting payments in connection with unlawful Internet gambling, including payments made through credit cards, electronic fund transfers, and checks.

The proposed rule would require U.S. financial firms that participate in designated payment systems to have policies and procedures in place to prevent payments being made in connection with unlawful Internet gambling. Comments on the proposed rule are requested by December 12, 2007. More details on the proposed rule and instructions on how to submit comments are available by viewing the joint press release online at www.federalreserve.gov/newsevents/press/bcreg/20071001a.htm. (Joint agency press release, 10/1/07)

Agencies Issue Final Rules on Affiliate Marketing

The federal financial regulatory agencies issued final rules providing consumers with an opportunity to "opt out" before a financial institution used information provided by an affiliated company to market its products and services to the consumer. Issued on October 25, 2007, the rules implement section 214 of the Fair and Accurate Credit Transactions Act of 2003, which amends the Fair Credit Reporting Act (FCRA).

The rules prohibit a financial institution from using certain information from an affiliate to solicit consumers, unless the consumer is given notice and a reasonable opportunity to opt out of such solicitation. The rules implement the statutory exceptions to the affiliate marketing notice and opt-out requirements. To facilitate

compliance, model forms are included with the notice. The rules are effective on January 1, 2008, and compliance is required no later than October 1, 2008. To review detailed information about the rules and the model forms, please view the agencies' press release online at www.federalreserve.gov/newsevents/press/bcreg/20071025a.htm. (Joint press release, 10/25/07)

Board of Governors Announces Amendments to Five Regulations Related to Electronic Disclosures

On November 1, 2007, the Federal Reserve Board announced the adoption of amendments to five consumer financial services and fair lending regulations (Regulations B, E, M, Z, and DD) to clarify the requirements for providing consumer disclosures in electronic form.

The amendments, which represent final action on a proposal issued for comment in April, simplify the Board's rules by (1) withdrawing unnecessary portions of the 2001 interim final rules that restate or cross-reference provisions of the Electronic Signatures in Global and National Commerce Act (E-Sign Act); (2) withdrawing provisions of the 2001 interim final rules that may impose undue burdens on electronic banking and commerce and may be unnecessary for consumer protection; and (3) adopting certain provisions that provide guidance on the use of electronic disclosures. The mandatory compliance date is October 1, 2008.

The Board's press release and detailed summaries of the regulatory changes may be viewed online at www.federalreserve.gov/newsevents/press/bcreg/20071101a.htm. (Source: Board of Governors' press release, 11/01/07)



Items in this publication focus on developments affecting banking structure in New England. The items are condensations of articles from a selected group of daily newspapers and press releases of federal and state financial regulatory agencies. Their reproduction does not imply our

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