

(717) 783-8240

June 27, 2002

Dear:

This will respond to your letter notifying the Pennsylvania Department of Banking (the "Department") that **[redacted]** (the "Bank"), Warren, Pennsylvania, your client, intends to acquire **[redacted]** (the "Subsidiary"), as a wholly-owned subsidiary of the Bank. The Subsidiary is an employee benefits consulting firm that specializes in the design, implementation and administration of qualified retirement plan programs. The Bank expects that the acquisition of the Subsidiary will enhance and compliment its existing trust and investment management business lines.

The Subsidiary intends to provide the following services: 1) pension and 401(k) consulting; 2) actuarial services related to benefit plans but not provided on an independent basis; 3) design of prototype pension and 401(k) plans, referred to as "cafeteria plans"; and 4) record keeping for pension and 401(k) plans. The Subsidiary will not provide insurance brokerage, securities brokerage, or human resources services as part of its above-described consulting services.

We have reviewed the Bank's notice of such a subsidiary as noted above and the Department does not object to the formation of **[redacted]**, pursuant to the provisions of Section 201(c) of the Banking Code of 1965, as amended. This non-objection is subject to the following conditions:

1. The activities of the Subsidiary are not to be expanded beyond the purposes as set forth in this letter and any such change will require prior written notice to the Department.
2. The Board of Directors of both the Bank and the Subsidiary, respectively, are to establish a limitation on the total amount of borrowings by the Subsidiary from the Bank and any other affiliated companies in compliance with Sections 311(c.1) and 311(e.1) of the Banking Code.
3. The actuarial services performed by the Subsidiary will be provided as an integrally related component of the employee benefits consulting and not as an independent activity.

June 27, 2002

Receipt of the following documentation relative to the formation of the Subsidiary is acknowledged:

1. Copy of the Resolution of the Bank's Board of Directors authorizing formation of the Subsidiary.
2. Identification of the initial directors and officers of the Subsidiary.

In order to complete our files in this matter, please forward the following to the attention of Joseph A. Moretz, Manager - Corporate Applications, at the above-noted address:

1. Articles of Incorporation for the Subsidiary.
2. Certificate of Incorporation issued by the Department of State or other evidence of filing for the Subsidiary.
3. Bylaws of the Subsidiary.
4. The initial balance sheet of the Subsidiary.
5. A statement setting forth the amount of the Bank's investment in the Subsidiary.

Please contact Mr. Moretz should you require additional explanation or information regarding this matter.

Very truly yours,

Richard S. DeMartino
Director - Bureau of
Supervision & Enforcement

RSD:JAM:kse

cc: Daryl P. Stum
Regional Director - FDIC

Joseph A. Moretz
Manager - Corporate Applications

Reginald Evans, Esq.
Chief Counsel