

OFFICE OF THRIFT SUPERVISION
Approval of Operating Subsidiary Application

Order No. 2000-11
Date: February 4, 2000

Standard Federal Bank, Troy, Michigan (Association) has provided application to the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1828(m) and 12 C.F.R. Part 559, of intent to organize four operating subsidiaries. The operating subsidiaries would hold certain securities in which the Association is authorized to invest directly. The four operating subsidiaries include two Delaware business trusts, Stan Fed Proprietary Investment Company I and Stan Fed Proprietary Investment Company II, and two Dutch limited partnerships, SFB Investment Management Partnership I C.V. and SFB Investment Management Partnership II C.V.

The OTS has considered the application under the standards set forth at 12 C.F.R. Part 559. In addition, the OTS has considered the digests prepared by the Central Regional Office and the Office of Examination and Supervision, and a legal opinion from the Business Transactions Division (collectively, Staff Memoranda).

For the reasons set forth in the Staff Memoranda, the OTS has concluded that the establishment of the operating subsidiaries would comply with all applicable statutes and regulations. Accordingly, the application is hereby approved, provided that the following conditions are complied with in a manner satisfactory to the Central Regional Director, or his designee (Regional Director):

1. The activities of the operating subsidiaries must be conducted in accordance with the representations made in the Association's application, as supplemented by letters to the OTS dated June 7, and June 25, 1999. In particular and without limitation, the location and organization of the operating subsidiaries must be limited to, and in accord with the laws of, Delaware and the Netherlands and, absent written authorization from the Regional Director, the total amount of assets transferred to the operating subsidiaries must not exceed \$1.5 billion;
2. The operating subsidiaries must make available to the OTS such information as the OTS deems necessary from time to time to monitor the operating subsidiaries' activities and the effect of those activities on the safe and sound operation of the Association. The operating subsidiaries must maintain a duplicate set of records in the United States at the Association's home office, or, if satisfactory to the Regional Director, elsewhere in the United States as otherwise represented in the application materials;
3. The operating subsidiaries must maintain a registered agent in the Association's home

office or, if satisfactory to the Regional Director, elsewhere in the United States as otherwise represented in the application materials, to receive service of process on any subsidiary's behalf;

4. The operating subsidiaries must provide all financial statements in U.S. dollars in accordance with generally accepted accounting principles, including financial information required to be submitted quarterly in the Thrift Financial Report;
5. The Regional Director must be promptly informed, in writing, of all changes in the directors, officers, and employees or managers of the operating subsidiaries; and
6. The documents required by the following bullet items must be submitted to the Regional Director. Once these documents are submitted and the Regional Director indicates in writing that the documents are in acceptable form, the Association may transfer securities to the operating subsidiaries and commence operations, subject to the foregoing conditions.
 - The Association must establish and document internal controls that demonstrate adequate oversight of the operating subsidiaries, and provide materials documenting the institution of such internal controls to the Regional Director.
 - The operating subsidiaries and any institution-affiliated party associated with the operating subsidiaries must consent in writing to the jurisdiction of the U.S. over, and the applicability of U.S. law to, the operating subsidiaries and its institution-affiliated parties for purposes of all claims made by, proceedings initiated by, or obligations to, the U.S., the OTS and any U.S. governmental agency, department or division, and must consent in writing to the jurisdiction of the OTS over the operating subsidiaries and its institution-affiliated parties for purposes of examination, supervision and enforcement. The operating subsidiaries and their institution-affiliated parties must further agree in writing not to challenge the authority of any conservator/receiver appointed for the Association to control the Association and the Association's interests in the operating subsidiaries.
 - The operating subsidiaries must submit a reasoned opinion of counsel in a form acceptable to the OTS indicating that there are no Dutch laws that would restrict OTS access to, or enforcement authority over, the operating subsidiaries or its institution-affiliated parties.
 - The operating subsidiaries must consent in writing to the disclosure by Dutch governmental authorities to the OTS of such information on its operations and its affiliates that the OTS deems necessary from time to time to determine and enforce compliance with applicable U.S. law.
 - The operating subsidiaries and the Association must agree in writing to terminate operations of the operating subsidiaries as soon as possible (but no later than 30

days) after being advised in writing that the OTS, in its sole discretion, has determined that such operations present undue risk.

Any time period specified herein may be extended by the Regional Director, for good cause, for up to 120 calendar days.

By order of the Director of the Office of Thrift Supervision, or her designee, effective
February 4, 2000.



Scott M. Albinson
Managing Director