

ARTICLES OF AMENDMENT TO THE
AGREEMENT OF ASSOCIATION OF
BAY LOAN AND INVESTMENT BANK

The following amendment was duly adopted by an affirmative vote of all of the stockholders of said Corporation, which amends the Agreement of Association of Bay Loan and Investment Bank as follows:

Pursuant to the form of approval from the Director of the Department of Business Regulation attached hereto and made a part hereof, the Company is hereby converted into a Rhode Island business corporation organized under the Rhode Island Business Corporation Act, Chapter 7-1.2 pursuant to R.I. Gen. Laws § 19-10.1-1.

ARTICLE I

The name of such corporation shall be Bay Loan Service Corporation.

ARTICLE II

The Corporation shall not have any powers of deposit taking or other powers exclusively reserved to financial institutions under R.I. Gen. Laws § 19-3-1.

ARTICLE III

The total number of shares which the corporation has authority to issue is 10,000 shares of common stock at \$0.01 par value.

ARTICLE IV

The address of the initial registered office of the corporation is 150 Main Street, Pawtucket, RI 02860 and the name of its initial registered agent at such address is Roger C. Ross.

ARTICLE V

The corporation has the purpose of engaging in any lawful business, and shall have perpetual existence until dissolved or terminated in accordance with Chapter 7-1.2.

ARTICLE VI

Unless otherwise stated all authorized shares are deemed to have a nominal or par value of \$0.01 per share.

FILED

MAR 27 2009

By *[Signature]*

12:30

29-84969

ARTICLE VII

Additional provisions, if any, not consistent with Chapter 7-1.2 which the directors elect to have set forth in these Articles of Amendment to the Agreement of Association of Bay Loan and Investment Bank:

1. No director shall have personal liability to the corporation or to its shareholders for monetary damages for breach of such director's duty as a director provided that this provision shall not eliminate or limit the liability of such director: (i) for any breach of the director's duty of loyalty to the corporation or to its shareholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under Section 7-1.2-811 of the Rhode Island Business Corporation Act; or (iv) for any transaction from which the director derived an improper personal benefit (unless such transaction is permitted by Section 7-1.2-807 of the Rhode Island Business Corporation Act).

2. The corporation may provide, either in the corporation's bylaws or by contract, for the indemnification of directors, officers, employees and agents, by whomever elected or appointed, to the full extent presently permitted by law; provided, however, that if the applicable law is hereafter modified to permit indemnification in situations where it was not theretofor permitted, then such indemnifications may be permitted to the full extent permitted by such law as amended.

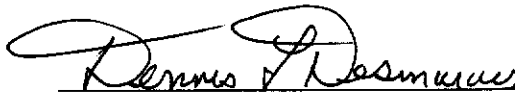
3. Any action required or permitted to be taken at a meeting of shareholders may be taken without a meeting if all the shareholders entitled to vote on the action consent to the action in writing.

ARTICLE VIII

These Articles of Amendment to the Agreement of Association of Bay Loan and Investment Bank shall be effective upon filing.

Under penalties of perjury, I declare and affirm that I have examined these Articles of Amendment to the Agreement of Association of Bay Loan and Investment Bank, including any accompanying attachments, and that all statements contained herein are true and correct.

Date: 3/27/09


Dennis L. Desmarais, Authorized Officer



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Business Regulation

DIVISION OF BANKING

1511 Pontiac Avenue, Building 69-2

Cranston, Rhode Island 02920

Telephone: (401) 462-9503

Fax: (401) 462-9559

January 12, 2009

John J. Partridge, Esq.
Partridge Snow & Hahn
Counselors At Law
180 South Main Street
Providence, RI 02903

Re: Bay Loan and Investment Bank (the "Bank")
Application for Approval to Convert to a General Business Corporation

Dear Mr. Partridge:

The Director of Business Regulation has approved the application of the Bank for Approval to Convert to a General Business Corporation.

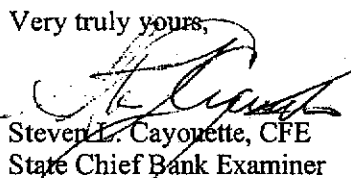
Enclosed is a copy of the Decision and Order and the signed Certificate and Unanimous Consent of the Sole Stockholder that authorizes the conversion. Pursuant to Regulation 98-1-5, provided below is a detailed breakdown of the invoice for the application fee:

- | | | |
|----|---|---------------------|
| 1. | Total hours of application review and processing time | 4.55 |
| 2. | Name(s) of the person(s) reviewing the application | Steven L. Cayouette |
| 3. | Hourly charge | \$109.27 |

Total application fee \$497.00

Please instruct the Bank to submit payment of the above application fee on or before February 13, 2009 by check made payable to the General Treasurer, State of Rhode Island¹, and evidence that the amendment to the Articles of Association have been filed with the Office of the Rhode Island Secretary of State. Please contact the undersigned at (401) 462-9560 or at scayouet@dbi.state.ri.us with any questions you may have relative to the above.

Very truly yours,


Steven L. Cayouette, CFE
State Chief Bank Examiner

Pc: Jill V. Reis, Assistant Supervisor of Examinations

¹ Payee must be the "General Treasurer, State of Rhode Island". Checks with incorrect payee will be returned for re-issuance

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING
233 RICHMOND STREET
PROVIDENCE, RI 02903-4231



DECISION AND ORDER

IN RE:

APPLICATION OF BAY LOAN AND INVESTMENT BANK
FOR APPROVAL TO CONVERT TO A GENERAL BUSINESS CORPORATION

I. JURISDICTIONAL STATEMENT AND TRAVEL OF THE CASE

This matter came before the Department of Business Regulation (the "Department"), Division of Banking (the "Division") upon the application of Bay Loan and Investment Bank (the "Applicant"), a financial institution with a main office located at 1525 Old Luisquisset Pike, Lincoln, RI 02865 for approval pursuant to R. I. Gen. Laws § 19-4-10.1-1 *et seq.* to convert to a general business corporation organized under R. I. Gen. Laws § 7-1.2 *e et seq.* and to change its name to Bay Loan Service Corporation (the "Application").

On October 24, 1997, the Department approved a voluntary plan of liquidation (the "Plan") of Applicant pursuant to R. I. Gen. Laws § 19-10-1 *et seq.* The Plan has been administered since that time with periodic reports of the status of the liquidation filed with the Division every six (6) months, the last of which was filed in June 2008. Upon approval by the Department of the Plan Applicant published a notice in the Providence Journal for a period of eight (8) successive weeks setting forth its intention to liquidate and notifying creditors to submit their claims for payment against Applicant within one hundred twenty (120) days from the last publication of the notice.

The Application was filed with the Division on November 21, 2008

II. APPLICABLE LAW

a. Agreement to Form Standard

R. I. Gen. Laws §19-2-10 provides that any financial institution or credit union may, subject to the approval of the Director of Business Regulation ("Director") or the Director's designee, amend its agreement to form provided that no such amendment, change or alteration shall contain

any provision which could not lawfully be contained in an original agreement to form under Title 19 filed at the time of applying for such amendment.

b. Conversion to General Business Corporation

R. I. Gen. Laws § 19-4-10.1-1 specifies that any financial institution with capital stock chartered under the laws of this state and that is solvent may, upon notice to the Director or the Director's designee pursuant to R. I. Gen. Laws § 19-4-10.1-2 and subject to the approval of the Director or the Director's designee, convert to and become a general business corporation organized under the Rhode Island Business Corporation Act, Chapter 1.2 of Title 7. As a condition of such conversion, such financial institution shall amend its agreement to form a financial institution, and where applicable for financial institutions organized before December 31, 1995, the articles of incorporation or the agreement of association of the financial institution, such amendment to be by a vote of its stockholders owning two-thirds (2/3) of its capital stock.

III. FINDINGS OF FACT

Evidence was submitted to the Division in support of the Application, which included responses various documents attached as exhibits to the Application, including the proposed articles of amendment of the Applicant's Articles of Association. Based upon the documentary evidence filed with the Division, the Director hereby makes the following findings of fact:

1. The Division received from the Applicant the notice of the vote of the sole stockholder to convert into a corporation organized under the Rhode Island Business Corporation Act pursuant to R. I. Gen. Laws §19-10.1-2 on November 21, 2008.
2. Applicant provided an executed Consent of the Sole Shareholder of Applicant in Lieu of Meeting dated November 7, 2008, which approved the termination of the Plan and the conversion to a Rhode Island business corporation.
3. Applicant represented that there are no outstanding claims or anticipated outstanding claims against it, as it has been in a voluntary liquidation mode and no claim has been filed against it in over a decade.
4. As of June 30, 1998 Applicant represented that there it held no deposit accounts and that there have not been any since that date.

IV. CONCLUSIONS OF LAW

Based upon the evidence presented, including documentary evidence filed with the Division,

the Director hereby makes the following conclusions of law:

1. The Director has jurisdiction over the application for approval to convert to a general business corporation and to amend a financial institution's s agreement to form pursuant to R. I. Gen. Laws §§ 19-10.1-1 and 19-2-10.
2. The Applicant is both a financial institution and a regulated institution as defined in R. I. Gen. Laws §19-1-1.
3. The documentary evidence filed and presented with the Application satisfies all other statutory requirements of R. I. Gen. Laws Title 19 with respect to a conversion to a general business corporation and an amendment to an agreement to form.

V. DECISION AND ORDER


Upon review and consideration of the documentary evidence in the record presented in this matter, it is hereby ORDERED:

That the Application of the Bay Loan and Investment Bank to convert to a Rhode Island general business corporation and to change it's name to the Bay Loan Service Corporation is hereby approved in accordance with, and with the general effect provided for in R. I. Gen. Laws §19-10.1-1.

This Decision and Order shall be effective upon and subject to the following conditions:

1. Applicant filing with the Division written evidence that the original and duplicate originals of the Articles of Amendment to the Articles of Association have been filed with the Office of the Rhode Island Secretary of State.
2. Applicant files evidence with the Division that it has published a notice in twelve (12) point bold faced type once each week for four (4) successive weeks in the legal notices section of the Providence Journal that:
 - a. Sets forth the vote of the sole stockholder and the director's approval;
 - b. Advises that the financial institution will no longer be subject to the jurisdiction of the Rhode Island Department of Business Regulation sixty (60) days after commencement of the publication of such notice and;
 - c. Notifies all interested parties having claims relating to the financial institution's former status as a regulated banking entity to present those claims against the financial institution for payment.

ENTERED AS ADMINISTRATIVE ORDER NUMBER 09-023 OF THE DIRECTOR OF THE
DEPARTMENT OF BUSINESS REGULATION AS OF THIS 9th DAY OF JANUARY 2009.



A. Michael Marques, Director
State of Rhode Island
Department of Business Regulation

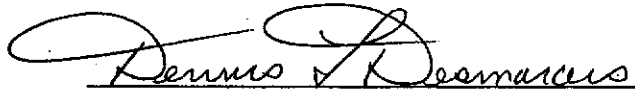
**CERTIFICATE OF PRESIDENT OF
BAY LOAN AND INVESTMENT BANK RELATING TO
BOARD OF DIRECTORS RESOLUTIONS**

The undersigned, being the duly elected President of Bay Loan and Investment Bank, a loan and investment bank chartered under the laws of the State of Rhode Island (the "Company"), does hereby certify:

1. That I am the duly elected and qualified President of the Company.
2. Attached hereto is a complete and correct copy of resolutions relating to the conversion of the Company into a Rhode Island business corporation, which resolutions were duly adopted at a meeting of the Board of Directors held on November 1, 2008 at which a quorum was present and acting throughout. Such resolutions have not been amended, modified, annulled or revoked and are in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of the Company as of the date indicated below.

Dated: November 1, 2008


Dennis L. Desmarais
President

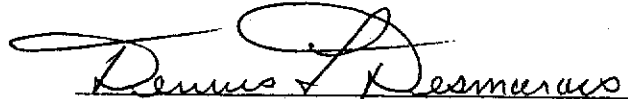
Unanimous Consent of Sole Director

The undersigned, being the sole Director of Bay Loan and Investment Bank hereby consents, to the following resolutions:

- RESOLVED: That the Board of Directors of Bay Loan and Investment Bank (the "Company") has determined that it is in the best interests of the Company to effect the conversion ("Conversion") of the Company into a Rhode Island business corporation and to terminate the liquidation of the Company's assets (the "Liquidation") and the subsequent dissolution of its corporate charter (the "Dissolution") and, upon passage of the following resolutions, hereby recommends to Colonial Penn Capital Holdings, Inc., the sole shareholder of the Company, that it approve of all resolutions set forth herein.
- RESOLVED: That the Company file an application (the "Application") with the Director of the Department of Business Regulation ("Director") seeking approval ("Approval") to permit the Company to proceed with a conversion to a Rhode Island Business Corporation in compliance with the provisions set forth in R.I. Gen. Laws § 19-10.1-1 et seq. and in accordance with the terms of said Approval.
- RESOLVED: That, upon receipt of approval from the Director of the Application (the "Approval"), to take any and all other actions deemed necessary or advisable to convert the Company into a Rhode Island business corporation.
- RESOLVED: That, in connection with the filing of the Application and the Conversion, the President, Treasurer and Secretary of the Company (collectively, the "Authorized Officers"; individually, the "Authorized Officer") be, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of the Company, to take or cause to be taken all such actions, pay such fees and expenses and execute, verify, acknowledge, certify to, file and deliver all such instruments, documents, certificates, assignments, affidavits and agreements as either such Authorized Officer determines to be necessary, desirable, convenient, appropriate and in the best interests of the Company in order to comply with and otherwise effect the transactions contemplated by and the purposes of these resolutions, including the filing of an amendment of its Articles of Association with the appropriate authorities.
- RESOLVED: That the taking of any action, and the execution, delivery and/or filing of any certificate, agreement, document or other instrument by any Authorized Officer in connection with the implementation of any and all of the resolutions set forth herein shall constitute conclusive evidence of such Authorized Officer's determination that the same was necessary, desirable, convenient, appropriate and in the best interests of the Company.

RESOLVED:

That any actions taken on behalf of the Company by such Authorized Officers, the Board of Directors, or any other agents or affiliates of the Company prior to the adoption and approval by the Board of Directors of these resolutions that are within the scope of or otherwise relate in any manner whatsoever to the authority granted or otherwise contemplated by the foregoing resolutions, be, and the same hereby are, ratified, approved and affirmed in all respects.



Dennis L. Desmarais
Sole Director
Bay Loan and Investment Bank

Dated: November 1, 2008
1014626_2

WHEREAS, Bay Loan and Investment Bank, a financial institution organized and existing under the laws of the State of Rhode Island, has submitted an application to the Director of the Department of Business Regulation, for approval to convert the financial institution to a general business corporation organized under the Rhode Island Business Corporation Act, Chapter 1.2 of Title 7, or another financial services entity chartered under the laws of the United States;

WHEREAS, said Director has examined the notice of the Board of Directors or Board of Trustee of the fact that a vote was taken pursuant to R. I. Gen. Laws § 19-10.1-1 to convert such financial institution into a corporation organized under the Rhode Island Business Corporation Act;

WHEREAS, the Director finds that the application conforms to all provisions of applicable laws and regulations, including but not limited to the Banking Laws of the State of Rhode Island;

NOW THEREFORE, the undersigned Director grants approval of said application.

Dated at Cranston, Rhode Island this 9th day of January 2009.



A. Michael Marques, Director of Business Regulation

AFFIDAVIT OF PUBLICATION

The Providence Journal The Providence Sunday Journal

Published by The Providence Journal Company
Providence, Rhode Island 02902

NOTICE OF CONVERSION

BAY LOAN AND INVESTMENT BANK

Notice is hereby given that, pursuant to a written consent dated November 1, 2008, the sole stockholder of Bay Loan and Investment Bank (the "Company") adopted the following resolution authorizing the conversion of the Company to a Rhode Island Business Corporation:

RESOLVED: That Bay Loan and Investment Bank (the "Company") file an application (the "Application") with the Director of the Department of Business Regulation ("Director") seeking approval ("Approval") to permit the Company to proceed with a conversion to a Rhode Island Business Corporation in compliance with the provisions set forth in R.I. Gen. Laws Sec. 19-10-1-1 ET SEQ. and in accordance with the terms of said Approval.

The Director has approved the Company's Application and upon the Conversion, Bay Loan and Investment Bank, to be known as Bay Loan Service Corporation, will no longer be subject to the jurisdiction of the Rhode Island Department of Business Regulation sixty (60) days after the commencement of publication of this notice. All creditors and former depositors and all other interested parties having claims relating to Bay Loan and Investment Bank's former status as a regulated banking entity shall present such claims to Bay Loan in writing to:

Bay Loan and Investment Bank
1525 Old Louisquisset Pike
Suite B-101
Lincoln, RI 02865

All claims must be presented no later than February 18th, 2009.

This notice will appear each week for four (4) consecutive weeks in THE PROVIDENCE JOURNAL.

State of Rhode Island
City and County of Providence

On this 18th day of February, 20 09,

before me, a Notary Public, duly qualified for said County

and State, personally appeared Cheryl Jacobs, Senior

Sales Director, in the office of The Providence Journal

Company, publishers of **THE PROVIDENCE JOURNAL**,

a newspaper published in the City of Providence by The


Providence Journal Company, who, on being duly

sworn, states that the advertisement of NOTICE OF CONVERSION BAY LOAN AND INVESTMENT BANK Notice is hereby given that, pursuant to a written consent dated November 1, 2008, the sole stockholder of Bay...

a true copy of which is hereunto annexed, was duly

inserted in **THE PROVIDENCE JOURNAL** in its

issue of January 20, 27, February 3, 10 20 09,


Cheryl Jacobs

Subscribed and sworn to before me this 18th

day of February, 20 09


Notary Public

My Commission expires: 1/15/10