



**Comptroller of the Currency
Administrator of National Banks**

Bank Organization and Structure
Southwestern District Office
1600 Lincoln Plaza
500 North Akard
Dallas, Texas 75201-3342

May 8, 2000

**Conditional Approval #391
June 2000**

Mr. Larry Haire
President
Kilgore National Bank, in organization
1116 N. Kilgore Street
Kilgore, Texas 75662

Re: De Novo Charter, Kilgore National Bank, Kilgore, Texas;
Application Control No. 2000-SW-01-0001

Dear Mr. Haire:

The Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of *Kilgore National Bank*. On May 8, 2000, after a thorough evaluation of all data available to the OCC, we found that your proposal met the requirements for preliminary conditional approval. The bank also may offer credit life, health, and accident insurance in accordance with 12 CFR 2.

This approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and by the proposed bank's representatives. We also made our decision to grant preliminary conditional approval with the understanding that the proposed national bank will apply for membership in the Federal Reserve System and obtain FDIC insurance.

This approval is subject to the condition that the bank shall provide the OCC's Longview Field Office at least thirty (30) days prior notice of any significant deviations or changes from the proposed operating plan during the first three years of operation. This condition is enforceable under 12 USC §1818. The bank must also provide a copy of such notice to the Dallas Regional Office of the FDIC.

The operating plan, including any revisions, will provide the context for the supervisory review at the pre-opening examination. Major deviations from the plan or changes in the composition of the board of directors, ownership, or chief executive officer that the OCC has not approved may result in withdrawal of preliminary approval.

Mr. Larry W. Haire
Kilgore National Bank
2000-SW-01-0001
Page 2

Please refer to the "Corporate Organization" booklet (enclosed) in the *Comptroller's Corporate Manual* for the instructions on organizing your bank. The booklet contains all of the steps you must take to receive your charter. As detailed in the booklet, you may establish the corporate existence of and begin organizing the bank as soon as you adopt and forward acceptable Articles of Association and the Organization Certificate to this office. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval, but you may not begin the business of banking until you fulfill all requirements for a bank in organization and you are granted final approval by the OCC.

Enclosed are standard requirements that must be met before the bank will be allowed to commence business. Management must ensure that the applicable policies and procedures are established and adopted by the board of directors before the bank begins operation. Applicable standard requirements also must be satisfied before the bank will be allowed to commence business.

The OCC poses no objection to Larry W. Haire serving as President and Chief Executive Officer or Frank Brown serving as Chairman of the Board. Additional executive officers are subject to the OCC's prior review and clearance.

The OCC also has no objection to the following persons serving as directors as proposed in the application: Frank E. Brown, Jr., John T. "Trey" Crim, III, Larry W. Haire, David M. Mobley, Thomas M. Mobley and T. Daniel Phillips

Also, please note the standard condition pertaining to OCC prior approval of additions or changes in senior executive officers and directors for two years after the bank opens for business.

The *Banking Laws for Examiners*, the *Comptroller's Manual for Corporate Activities* (individual booklets), the *Comptroller's Handbook* (individual booklets covering all areas of the bank including Community Reinvestment Act, consumer compliance and trust activities) and a set of current banking circulars and bulletins, will be mailed to you under separate cover.

Also, a separate letter is enclosed requesting your feedback on how we handled your application. We would appreciate your response so we may improve our service.

You should direct any questions concerning this preliminary approval to Brenda E. McNeese, NBE/Sr. Corporate Analyst or me at (214) 720-7052.

Yours truly,

-signed-

Karen H. Bryant
Licensing Manager