



Comptroller of the Currency
Administrator of National Banks

Licensing Operations
Southwestern District Office
1600 Lincoln Plaza
500 North Akard
Dallas, Texas 75201-3342

October 15, 2001

**Conditional Approval #499
November 2001**

Michael A. Roy - Spokesperson
The Right Bank for Texas, N.A. (In Organization)
7676 Hillmont, Suite 350
Houston, Texas 77040

Re: Charter Application No. 2001 SW 01 0003
The Right Bank for Texas, N.A. (In Organization)
Houston, Texas, Charter No. 24263

Dear Mr. Roy:

The Office of the Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of The Right Bank for Texas, National Association, to be located in Houston, Texas. On this date, we found that your proposal meets the requirements for preliminary conditional approval.

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 bank's representatives.

We have also made our decision with the understanding that the proposed national bank will be FDIC insured and the expectation that it will become a member of the Federal Reserve System.

This approval is subject to the following conditions:

1. The bank must submit to the OCC for review and approval a complete description of the bank's final information systems and operations architecture as well as the information systems risk assessment and management plan. This should include a schematic drawing and discussion of the following items:

Vendor due diligence and contracts; electronic banking security mechanisms and policies; information systems personnel; internal controls; audit plans; and operating policies and procedures, including, but not limited to, vendor management,

weblinking, customer authentication and verification, and business resumption contingency plans.

2. The bank must have performed an independent security review and test of its electronic banking platform. The bank must have this review performed regardless of whether the platform is operated in-house or by one or more third-party service providers. If the bank outsources the technology platform, it can rely on testing performed for the service provider to the extent that it satisfies the scope and requirements listed herein. The review must be conducted by an objective, qualified independent source (Reviewer). The scope should cover:
 - All access points, including the Internet, Intranet, or remote access.
 - It should cover the adequacy of physical and logical protection against unauthorized access including individual penetration attempts, computer viruses, denial of service, and other forms of electronic access.

By written report, the Reviewer must confirm that the security measures, including the firewall, have been satisfactorily implemented and tested. For additional guidance, see “The Internet and the National Bank Charter” booklet of the *Comptroller’s Corporate Manual*, pages 37-38, 74-75. The booklet may be found at the publications portion of the OCC’s web site, www.occ.treas.gov.

3. The bank must have a security program in place that complies with the minimum security guidelines specified at 12 C.F.R. 40 (effective 7/1/01).

This approval is also subject to the following additional conditions. These conditions are enforceable under 12 USC §1818.

1. The bank shall obtain the OCC’s non-objection from our Houston - West Field Office, 1301 McKinney Street, Suite 3750, Houston, Texas, 77010-3033 before any significant deviation or change from the proposed operating plan occurs during the bank’s first three years of operation. The bank must notify the Houston -West Field Office at least sixty (60) days prior to any proposed significant deviation or change. You have represented that at least initially the bank will not open accounts through the Internet, but rather through the banking office. Any plans to offer online account opening will need to be reviewed and approved by the OCC as a significant deviation or change from the proposed operating plan. The bank must also provide a copy of such notice to the FDIC’s Dallas office.
2. The bank must notify all potential technology-related vendors in writing of the OCC’s examination and regulatory authority under 12 U.S.C. 1876(c). All final technology-related vendor contracts must stipulate that the performance of services provided by the vendors to the bank is subject to the OCC’s examination and regulatory authority.

The bank’s initial paid-in capital shall be no less than \$10.0 million. The manner in which

capital is raised must not deviate from that described in the operating plan without prior OCC notification. If the capital for the new bank is not raised within 12 months or if the new bank is not opened for business within 18 months from the preliminary conditional approval date, the OCC will withdraw approval. The OCC is opposed to granting extensions, except under the most extenuating circumstances and when the OCC determines that the delay is beyond the applicant's control. The organizers are expected to proceed diligently, consistent with their application, for the bank to open for business as soon as possible.

Until final approval is granted, the OCC has the right to alter, suspend, or revoke preliminary approval should any interim development be deemed by the OCC to warrant such action.

Please refer to the "Corporate Organization" booklet 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 the following persons serving as executive officers and directors, as noted:

Michael Roy	Chief Executive Officer, Director
Donald Najvar	President, Director
Sharon Sokol	Chief Operation Officer, Director
Matthew Hartzell	Director
John Bludworth	Director
Robert Adam	Director
James Ward	Director
Jonathan Finger	Director
Eric Moorhead	Director

Certain background checks which were requested by this office have not yet been received. While the OCC has decided not to delay action pending receipt of these responses, if adverse or previously withheld information is received, this office may consider other remedies available to us under other statutes.

Additional executive officers and directors are subject to the OCC's prior review and clearance before opening. Also, please note that the OCC requires that you obtain prior approval of additions or changes in directors and executive officers for two years after the bank opens for business.

We urge you and the Board of Directors to become familiar with the filing obligations of the Securities Exchange Act of 1934 ("34 Act") and 12 C.F.R. Part 11. The bank may be required to file reports with the OCC under the 34 Act and Part 11 if: (1) the bank at the end of any fiscal year has 500 or more shareholders of record; or (2) the bank made a public offering of securities subject to 12 C.F.R. Part 16 during the bank's organizational process. We encourage you to contact the OCC's Securities & Corporate Practices Division at (202) 874-5210 if you have any questions about the bank's securities disclosure obligations.

This approval, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the U.S., any agency or entity of the U.S., or an officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications.

If you have any questions about our conditional approval or the organizational process please contact NBE-Licensing Analyst Joseph T. Burbridge at (214) 720-7052 or write to the address reflected above.

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.

Yours truly,

-signed-

Karen H. Bryant
Licensing Manager

Enclosures: Minimum Policies and Procedures
Standard Requirements
Survey Letter