

**APPLICATION FOR PROPOSED
STATE BANK CHARTER**
submitted to the
ARKANSAS STATE BANK DEPARTMENT

We, the undersigned prospective incorporators, being natural persons and of lawful age, intend to organize an Arkansas state chartered commercial bank for the purpose of engaging in the business of commercial banking.

Name of Proposed Bank

Street Address

City

County

State

Zip Code

Name, title, address, and telephone number of person(s) to whom inquiries concerning this application may be directed:

Signature of Authorized Officer

Date of Application

Typed Name

Title

Telephone Number

Contact's Address

City

County

State

Zip Code

Copies: An original and 11 copies of the complete application should be filed with the Department. Additionally, please provide an original and 5 copies of any confidential or financial documentation which is separately bound, such as biographical information.

Notice to Federal Authorities: The Commissioner, upon receipt of an application, will notify by U.S. Mail the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the appropriate Federal Reserve Bank, if applicable, for their views on the proposed bank.

Notice Published by Applicant: Notice of intent to file an application must be published once a week for three (3) consecutive weeks in a newspaper of statewide circulation. The first publication shall be within ten (10) calendar days prior to the application's filing date. Publications must provide for a fifteen (15) day comment period beginning with the actual filing of the application. Original proofs of publication and the application fee of **\$8,000** must accompany the application to the Bank Commissioner.

See Attachment - **Legal Notice**

Stenographer/Recorder: Applicant is responsible for procuring and paying for a verbatim record of the proceedings of the State Banking Board hearing of Application. It shall be the duty of Applicant to furnish at least one (1) copy of the transcript to the Commissioner free of charge. A.C.A. § 23-46-406(f).

Organizational Expenses: Prior to applying for a charter, the incorporators shall establish an organizational expense fund in an amount the Commissioner deems adequate. Such fund shall be used for expenses incurred by the incorporators in connection with the organization of the proposed state bank. A.C.A. § 23-48-302.

DEPOSIT INSURANCE: An Order of the State Banking Board and the Bank Commissioner approving a charter shall provide that the bank will not commence business until it has been insured by the Federal Deposit Insurance Corporation and the Commissioner given evidence of such insurance. Provide proof that application for federal deposit insurance has been made.

CONFIDENTIALITY

Pursuant to the provisions of the Freedom of Information Act, the application is a public document and available to the public upon request, with the exception of personal financial statements submitted in support of the application.

If Applicant is of the opinion that disclosure of commercial or financial information would likely result in substantial harm to its competitive position or that of its subsidiaries, or that disclosure of information of a personal nature would result in a clearly unwarranted invasion of personal privacy, confidential treatment of such information may be requested. The request for confidential treatment must be submitted in writing concurrently with the submission of the application, and must discuss in detail the justification for confidential treatment. Such justification must be provided for each response for which confidential treatment in the public portion of the application is requested. Applicant's reasons for requesting confidentiality should demonstrate specifically the harm that would result from public release of the information. A statement simply indicating that the information would result in competitive harm or that it is personal in nature is not sufficient. It must be demonstrated that disclosure would meet either the "substantial competitive harm" or "unwarranted invasion of personal privacy" test.

Information for which confidential treatment is requested should be: (1) Specifically identified in the public portion of the application (by reference to the confidential section); (2) bound separately from the public portion of the application; and (3) labeled "Confidential". The same procedure should be followed with regard to filing any supplemental information to the application, or in filing personal financial statements.

The Department will determine if information submitted as confidential will be so regarded, and will advise Applicant of any decision to make available to the public information labeled "Confidential". However, it shall be understood that, without prior notice to Applicant, the Department may disclose or comment on any of the contents of the application in the Order or Statement issued by the Department in connection with a decision on the application.

PROPOSED ARTICLES OF INCORPORATION

Provide two (2) originals and three (3) copies of the proposed Articles of Incorporation of the proposed institution, bearing the signatures of all of the incorporators (See attached sample Articles of Incorporation).

CONSISTENCY OF CORPORATE POWERS

It is contemplated that the proposed bank will have only such corporate powers as are granted to a State banking corporation under the provisions of the State law.

TRUST POWERS

The establishment of a trust department (is)/(is not) contemplated. All requirements (including security requirements) of any Federal supervisory authorities will be met.

LOCATION

The Commissioner and the State Banking Board rule that a new bank must be located within an incorporated city or town.

CORPORATE AND BUSINESS PLAN

A corporate or business (strategic) plan must accompany the application. The "plan" shall set forth the proposed bank's goals and address how each is to be achieved. The "plan" must project beyond the current fiscal year and should include goals and objectives for the first five years of operation.

POLICIES

List the proposed bank's operating policies and note the development status of each policy.

INTERNET ACTIVITIES

Discuss plans to establish a transactional Web page.

FEASIBILITY STUDY

A feasibility study must accompany the application which shall include financial objectives, a market perspective and analysis of the site location. The study shall also include, at a minimum, the following information:

- a) describe the geographic boundaries of the proposed service area;
- b) evaluate and discuss economic conditions of the market to be served;
- c) discuss historical trends and future prospects regarding population, unemployment rates, personal income, and business growth. Provide supporting data and identify source of information;
- d) list major employers in the area and identify the type of industry and number of employees for each company;
- e) discuss the community's economic diversity and/or disclose any dependence on a particular industry;
- f) discuss prospects for establishment of new businesses or layoffs in the community;
- g) identify products and services to be offered;
- h) identify any new or expanded services to be offered by Applicant that are not currently available in the proposed market area;
- i) review competition; and
- j) describe the proposed facilities, including associated costs.

EXPENSE AFFIDAVIT

A majority of incorporators shall file with the Department, at the time of filing the Articles, an affidavit:

1. setting forth all expenses incurred or to be incurred in connection with the organization of the state bank, subscription for its shares, and sale of its shares; and
2. state if a fee, compensation, or commission prohibited by A.C.A. § 23-48-303 has been paid or incurred.

ESTIMATED FINANCIAL STATEMENTS

Provide estimated pro forma balance sheets and income statements of the proposed bank for five years of operations.

Applicant may report financial information in another format, however, please include all categories listed below. Add other accounts that may have a bearing on the evaluation of the application.

AVERAGE ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CASH					
SECURITIES					
LOANS					
LESS RESERVES					
FIXED ASSETS					
OTHER REAL ESTATE					
GOODWILL					
OTHER ASSETS					
TOTAL ASSETS	\$	\$	\$	\$	\$
AVERAGE LIABILITIES					
NON-INT BEARING DEP					
INT BEARING DEPOSITS					
TOTAL DEPOSITS					
FED FUNDS PURCHASED					
OTHER BORROWINGS					
SUBORDINATED NOTES					
OTHER LIABILITIES					
TOTAL LIABILITIES	\$	\$	\$	\$	\$
TOTAL EQUITY CAPITAL	\$	\$	\$	\$	\$
TOTAL EQUITY CAPITAL AND LIABILITIES	\$	\$	\$	\$	\$
OPERATING EARNINGS					
INT AND DIS ON LOANS					
INT AND DIV ON SEC					
SERVICE CHARGE INC					
OTHER OPERATING INC					
GROSS OPERATING INC	\$	\$	\$	\$	\$
OPERATING EXPENSES					
INT DEPOSITS					
INT BORROWINGS					
SALARIES AND WAGES					
PROV FOR LOAN LOSSES					
OTHER OPERATING EXP					
INCOME TAXES					
TOTAL OPERATING EXP	\$	\$	\$	\$	\$
NET OPERATING INC	\$	\$	\$	\$	\$

ADEQUACY OF CAPITAL STRUCTURE

Minimum capital requirements are set forth in A.C.A. § 23-48-310. Notwithstanding statutory requirements, the Bank Commissioner will exercise his judgment as to the adequacy of the proposed capital structure. The Bank Commissioner and the State Banking Board will not accept for filing a charter application unless previously provided evidence that the purchase price of all subscribed shares has been paid into some depository bank under written instructions approved by the Bank Commissioner (See attached Depository Agreement). Please attach to this application a sample stock subscription offer (See attached Stock Subscription Offer) and a complete **alphabetized** list of proposed shareholders including name, address and number of shares subscribed.

A statement of the paid-in capital structure is as follows:

	Number of shares	Par value per share	Amount
Preferred capital	()	(\$)	\$
Common capital	()	(\$)	
Surplus			
Undivided Profits			
Other segregations of the capital account*			
Total capital			\$

It shall be the policy of the proposed bank to maintain at all times an adequate ratio between the total sound capital structure and the value of the proposed bank's assets.

*Describe other segregations of capital, including intangibles.

INSURANCE COVERAGE

The following is a description of the fidelity insurance to be purchased covering active officers and employees:

OWNERSHIP OR CONTROL OF FIVE PERCENT (5%) OR MORE

List the names of the natural persons who propose to own or control more than five percent (5%) of the capital stock. Also, describe any past or present connection with any depository institution, financial institution, or national trust company, other than as a customer on terms generally available to the public for each proposed director and each subscriber to more than five percent (5%) of the capital stock.

MANAGEMENT

The proposed Directors and Executive Officers are listed below with information concerning each. Following the name of each, provide a brief resume of past business and banking experience and any other qualifications as well as a brief statement of the proposed duties and responsibilities in connection with bank operations. It is also requested that each proposed Director, Organizer, Principal Shareholder, and Executive Officer complete the attached **Interagency Biographical and Financial Report** and return with the application.

Name, Citizenship, Residence & Occupation	Age	Title or Position	Net Worth	Annual Salary	Par Value of Stock to be Subscribed	
					Preferred	Common

Proposed Changes in Management: No changes are contemplated in the directorate or active management of the bank, as shown above, within the first year of operations, with the following possible exceptions:

COMPETITION

Discuss the effects of the proposed transaction on existing competition in the relevant geographic markets.

List the name and location of any financial institutions now serving the trade territory to be served by the resulting institution.

Please state what effect, if any, the merger will have on the local competition.

Please provide the current market share of Applicant and Target in their respective locations.

FIXED ASSET EXPENDITURES

Provide an itemized list of all equipment, furniture, fixtures, vaults, etc. to be acquired.

PERMANENT QUARTERS ANTICIPATED

Give brief physical description of structures to be acquired or constructed, including square footage, number of offices, number of teller windows, etc. Also, include legal description of property.

Circle One	Owned	Leased	Total Cost
IF OWNED	Land Building Furniture and Equipment TOTAL FIXED ASSET EXPENDITURE		
IF LEASED	Leasehold Improvements Furniture and Equipment TOTAL FIXED ASSET EXPENDITURE		

Additional comments:

**FIXED ASSET EXPENDITURES
TEMPORARY QUARTERS**

Are temporary quarters anticipated: ___ Yes ___ No
If yes, complete the following:

STREET ADDRESS	DIRECTION AND DISTANCE FROM PERMANENT QUARTERS
	MONTHLY RENTAL OR COST (SPECIFY)

Give a brief physical description of structures to be acquired or constructed, including square footage, number of offices, number of teller windows, etc. Also, include legal description of property.

CERTIFICATE

In support of this application, the undersigned (all incorporators) hereby make the following statements and representations and certify, jointly and severally, that statements contained in this Application are true to the best of their knowledge and belief, and are made for the purpose of inducing the State Banking Board to approve the proposed bank and hereby request that an Examiner of the State Bank Department be assigned to make the necessary investigation.

Signed: _____

Dated: _____

ATTACHMENTS

ARTICLES OF AGREEMENT AND INCORPORATION

STOCK SUBSCRIPTION

DEPOSITORY AGREEMENT

LEGAL NOTICE

APPLICATION TO RESERVE A CORPORATE NAME

FINANCIAL REPORTS

Charter No. _____

Articles
OF
Agreement and Incorporation
OF THE

Situated at _____

PAID-IN CAPITAL..... \$
PAID-IN SURPLUS..... \$
UNDIVIDED PROFITS..... \$
NUMBER OF DIRECTORS.....

Approved by the Bank Commissioner and the State Banking Board on this _____ day of _____, 20_____.

Bank Commissioner of the
State of Arkansas

STATE BANKING BOARD

By: _____
Chairman

ATTEST:

_____ Secretary

STATE OF ARKANSAS

State Bank Department

ARTICLES OF AGREEMENT AND INCORPORATION OF THE

KNOW ALL MEN BY THESE PRESENTS:

That the incorporators hereinafter named, a majority of whom are bona fide residents of the State of Arkansas, have this date, and by these presents, formed a corporation under and in pursuance of the laws of the State of Arkansas, therein provided by an Act of the General Assembly of the State of Arkansas, entitled, "The Arkansas Banking Code of 1997," approved February 4, 1997 as amended, and in evidence thereof do hereby execute the following Articles of Incorporation:

First: The name of said Institution shall be _____

Second: The place of business is to be located at _____

_____ County of _____ State of Arkansas.

Third: The amount of capital stock authorized of said bank or trust company shall be _____ shares, of which _____ shares have been subscribed for and paid in by the Incorporators at an aggregate price of \$_____. This has resulted in a total capital structure as shown by the endorsement upon the front page of these articles. The amount of paid-in surplus shall be \$_____.

Fourth: The number of shares, the relative preferences and powers and rights of each class shall be _____.

Fifth: The names of the stockholders and the number of shares owned by them, respectively, and their places of residence, are as follows:

NAME	RESIDENCE	SHARES	AMOUNT

Sixth: The voting for directors (*shall/shall not*) be cumulative, and *if applicable, describe the extent of the preemptive rights of stockholders.*

Seventh: The nature of the business proposed to be transacted by this corporation is

Eighth: The affairs and business of the Corporation shall be controlled by a Board of Directors (not less than three) consisting of not less than ___ nor more than ___ members, as determined at each annual meeting. Said Board of Directors shall elect one of its members as President, and such number of Vice-Presidents as may be provided by the by-laws, and may also elect a Secretary, Treasurer, and Cashier. The initial Board of Directors shall consist of the following individuals:

Ninth: The Board of Directors is empowered to ordain and establish all by-laws and regulations necessary to the management and business of said Corporation, and alter and repeal same at pleasure.

Tenth: The first meeting of the Incorporators for organization shall be held in _____
_____ at the office of _____
at _____ o'clock _____ on the _____ day of _____, 20_____.

IN TESTIMONY WHEREOF, We have hereunto set our hands, thereby certifying to the recitals of the above and forgoing articles, on this, _____ day of _____, 20__.

ACKNOWLEDGMENT

STATE OF ARKANSAS

County of _____

Be it remembered that on this day came before the undersigned a _____
within and for the County and State aforesaid, duly commissioned and acting _____

Incorporators of the above named bank or trust company and acknowledged that they signed and executed the foregoing instrument for the consideration and purposes therein mentioned and set forth.

Witness my hand and seal, this _____ day of _____, 20____.

STOCK SUBSCRIPTION OFFER

_____ of _____, in Organization,
Chairman of Organizers Name of New Bank
_____, Arkansas

Dear Sir:

The undersigned hereby subscribes for _____ shares of the capital stock of the
_____ at _____ per share for organizational expenses.
Name of Bank

I state that I am making this stock purchase for investment purposes only and not for the purpose of resale or speculation and, furthermore, acknowledge that I am not acting on any representations as to the potential success of the Bank, or amount of profits or dividends. I further understand that you reserve the right to reject, in whole or in part, any part of this offer to subscribe and to allot a lesser number of shares than I subscribe for. I further understand that you have the right to cancel this subscription if ordered to do so by either the Arkansas State Bank Commissioner, the Arkansas State Banking Board or the Federal Deposit Insurance Corporation.

This Stock Subscription Offer is accompanied by my payment in the total amount of \$ _____. I understand that the moneys paid for this Stock Subscription Offer will be deposited with the Escrow Bank, **(insert name of Escrow Bank)** as required by the State Bank Department of the State of Arkansas, and will be held by said bank under the provisions of the Depository Agreement that has been exhibited to me. Funds paid for prepaid organizational expenses will be deposited with the Escrow Bank in a checking account. Any disbursements therefrom are subject to final approval by the State Bank Commissioner and the FDIC before the Bank can commence operations. If a State charter is not granted or if the Application for Insurance of Accounts is not granted, the stock subscription funds paid to the New Bank, plus accrued interest less prorated expenses, will be refunded to this subscriber.

Subscription Payment Per Share:

Capital:	\$10.00	These figures may be changed to fit your situation.
Surplus:	10.00	
Undivided Profits:	<u>5.00</u>	
	\$25.00	
Prorated organizational expense per share	<u>1.00</u>	
	\$26.00	

Number of shares subscribed: _____

Total Subscription: _____

THIS the _____ day of _____, 20_____

Subscriber's signature: _____

Printed Name of Subscriber: _____

Name or Names in which stock is to be issued: _____

The security represented by this subscription has been executed pursuant to an exemption from registration under the Securities Act of 1933 and the Arkansas Securities Act.

DEPOSITORY AGREEMENT
OF
SUBSCRIPTION PROCEEDS TO STOCK OF

INSERT NAME OF BANK

THIS DEPOSITORY AGREEMENT executed this _____ day of _____, 20____, by and between _____ and _____ (hereinafter called the Organizers), representing all subscribers to the stock of the _____, in organization hereinafter called the _____, *Insert Name and Address of New Bank* New Bank and _____, _____, Arkansas, *Insert Name of Escrow Bank* _____, *City* hereinafter called the Escrow Bank.

WITNESSETH:

WHEREAS, representatives of the New Bank and others propose organization of a state-chartered commercial bank in _____, Arkansas, to be named _____ and have individually subscribed to _____ *Insert Name of New Bank* varying total amounts of money at the rate of _____ dollars per share of stock subscribed; and,

WHEREAS, it is understood and related in the Subscription Agreement executed by subscribers to stock of the New Bank that the subscription proceeds will be deposited with Escrow Bank for that period of time which will ensue from collection of said subscription moneys until the same are either disbursed to the New Bank in its capacity as a newly organized bank or refunded to the subscribers as related in their Subscription Agreements; and

WHEREAS, Escrow Bank has agreed to accept the subscription moneys and deposit them in a special account in Escrow Bank for use of the New Bank subject to the terms and conditions of this Depository Agreement.

NOW THEREFORE, in consideration of the premises, the parties covenant and agree as follows:

(1) The New Bank hereby delivers to Escrow Bank for deposit in Escrow Bank the sum of \$ _____, the same to be evidenced by a Certificate of Deposit dated _____, _____, supplied to the New Bank upon delivery of the aforesaid moneys. It is anticipated that, from time to time, the New Bank will deposit additional moneys with Escrow Bank which likewise shall be evidenced by a Certificate of Deposit and/or a deposit to a checking account at the discretion of the New Bank and subject to the terms, conditions and covenants of this agreement.

(2) The parties understand and expect that the New Bank and the subscribers to the New Bank will make application to the Arkansas State Bank Department for a charter for the proposed New Bank and that if the application is granted, thereafter the New Bank by its subscribers will make application to the Federal Deposit Insurance Corporation through its district office in Memphis, Tennessee, for federal insurance protection for deposits made with the Bank. It

is understood, expected and agreed that Escrow Bank will retain the deposits left with it hereunder for such period of time as will be required to accomplish both of the aforesaid transactions, and, if successful, Escrow Bank agrees to deliver the deposited moneys only to the Bank Commissioner, Arkansas State Bank Department, 1 Commerce Way, Suite 303, Little Rock, Arkansas 72202, upon his written request.

(3) If the New Bank is unsuccessful in its application for a state bank charter or for Federal Insurance of Accounts by the Federal Deposit Insurance Corporation and the effort to organize the New Bank is abandoned, Escrow Bank will disburse the proceeds deposited with it hereunder to the organizers hereunder as the duly authorized representatives of the New Bank who in turn shall return the funds to each subscriber to stock as related in their Subscription Agreement. Provided, however, that Escrow Bank shall not disburse said funds until the investments, as provided in Paragraph 4 herein, are matured, and said disbursements shall further be subject to the conditions of Paragraph 5 herein.

(4) The moneys held by Escrow Bank shall be continuously invested and reinvested in a ninety-day time deposit account subject to the rules and regulations of Escrow Bank and any regulatory agency of the state or federal government which may be applicable. Any profits realized from said investments shall be, upon written request, paid only to the Bank Commissioner, Arkansas State Bank Department, 1 Commerce Way, Suite 303, Little Rock, Arkansas 72202 or otherwise, in accordance with the provisions of Paragraph 3 contained herein. Escrow Bank is not responsible for the verification of any expense and will rely solely upon the representations of the New Bank.

(5) Escrow Bank is authorized to act upon any document believed by it to be genuine and to be signed by the proper party or parties and will incur no liability in so acting. Escrow Bank accepts the initial deposit and all future deposits relying upon the complete authority of the New Bank to act on behalf of its subscribers to stock in said Bank. Escrow Bank shall not be responsible in any manner for the validity or sufficiency of any subscription agreement or for any of the provisions thereof, nor shall Escrow Bank be responsible in any manner for the validity of any stock certificates or representations of the New Bank to its subscribers for stock. Escrow Bank shall not be responsible for any defaults of the New Bank under any agreements with subscribers to its stock. Escrow Bank shall be fully protected with respect to any action taken or suffered under this agreement in good faith by it. The New Bank warrants and covenants with Escrow Bank that if the venture is unsuccessful, the New Bank shall pay to each subscriber all sums of money theretofore deposited by or for the account of the New Bank and the New Bank agrees to indemnify and hold Escrow Bank harmless for any sums disbursed to the New Bank.

IN WITNESS WHEREOF, the parties have set their names the day and year first above written.

Name of New Bank
IN ORGANIZATION

Name of Escrow Bank
_____, Arkansas

By _____
Organizers

By _____

By _____
Organizers

LEGAL NOTICE

This is to inform the public that an Application for Proposed Bank Charter is to be filed with the Commissioner of the Arkansas State Bank Department under the laws of the State of Arkansas by the organizers of the proposed (*name of proposed bank, city, state*).

Anyone may write in favor of or protest against the application and in so doing may submit such information to the Commissioner at the following address: Arkansas State Bank Department, 1 Commerce Way, Suite 303, Little Rock, Arkansas 72202. Formal protests concerning this application must be received in the Arkansas State Bank Department no later than 15 days following the date of the actual filing of the application.

If you have any questions concerning procedures, contact the Commissioner's office at 501-324-9019.

State of Arkansas

ARKANSAS STATE BANK DEPARTMENT

APPLICATION TO RESERVE A CORPORATE NAME

To: Susannah T. Marshall
Bank Commissioner
Arkansas State Bank Department
1 Commerce Way, Suite 303
Little Rock, Arkansas 72202

Pursuant to the provisions of The Arkansas Banking Code of 1997, the undersigned Applicant hereby applies to reserve the exclusive use of a corporate name and submits herewith the following:

Corporate Name To Be Reserved

Applicant

Street Address or Post Office

City, State, ZIP

Telephone Number

Applicant Signature _____

INSTRUCTIONS:

Prepare this form in duplicate and send to the Arkansas State Bank Department, Little Rock, Arkansas. The State Bank Department will accept a reservation for a bank corporate name only prior to and for the purpose of formation of a new state bank or prior to the consummation of an interstate merger transaction. The reservation will be for a nonrenewable two hundred seventy day period. A name not used permanently prior to the expiration of this period will be cancelled. Prior to filing a reservation of corporate name an applicant must:

Request a current check of both state and federal trademark or servicemark filings on the proposed name. Evidence must accompany the application for reservation of corporate name verifying the applicant has made a trademark or servicemark search and no trademark or servicemark exists for the proposed name.

If the Commissioner finds that the corporate name applied for is available, he shall reserve the name for the Applicant's exclusive use for a nonrenewable 270 day period. The duplicate bearing the file marks of the Commissioner will be returned to Applicant. A.C.A. § 23-48-309

Fee: \$25.00