

**APPLICATION FOR PROPOSED
STATE TRUST COMPANY**

We, the undersigned prospective incorporators, being natural persons and of lawful age, intend to organize and charter an Arkansas state trust company for the purpose of acting as a fiduciary or engaging in any trust business within or outside this state.

Name of Proposed Trust Company

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

Consistency of Corporate Powers: It is contemplated that the proposed trust company will have only such corporate powers as are granted to a state trust company under the provisions of state law.

Notice Published by Applicant: Notice of intent to file an application must appear in a newspaper published in the city of Little Rock having a general statewide circulation at least one time **prior to** the filing of the application with the Bank Commissioner. Formal proof of publication and the application fee of **\$8,000** must accompany the application to the Bank Commissioner.

See Attachment - **Legal Notice**

Notice of Application: Applicant must give written notice of filing through the United States mail to all trust institutions maintaining a principal office or a trust office in the county wherein the principal office of the proposed state trust company is to be located.

The notices described above must be given by registered or certified mail, return receipt requested. This notice is to be given on or before the date the application is filed with the Commissioner. Additionally, forward to the Arkansas State Bank Department copies of the return receipts evidencing notification to the required institutions.

Formal protests to the application must be received by the Commissioner in writing within **thirty (30) calendar days** of the date of the notice of the filing of the application

See Attachment - **Example of Notification Letter**

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.

Deposit Insurance: Subject to obtaining any required insurance from the Federal Deposit Insurance Corporation, a state trust company may receive and pay deposits with or without interest made by agencies of the United States Government or of a state, county, or municipality.

THE FAILURE OF AN APPLICANT TO FURNISH REQUIRED INFORMATION, DATA, OPINIONS OF COUNSEL, OTHER MATERIAL, OR THE REQUIRED FEE IS CONSIDERED AN ABANDONMENT OF THE APPLICATION.

CONFIDENTIALITY

Pursuant to the provisions of the Freedom of Information Act, the application is a public document and available to the public upon request.

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.

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.

- 1) **PROPOSED ARTICLES OF ASSOCIATION:** Provide duplicate originals and three copies of the proposed Articles of Association and bylaws of the proposed institution, bearing the signatures of all of the incorporators (See attached sample Articles of Association).

- 2) **BUSINESS PLAN:** A new trust company's business (strategic) plan must accompany the application. The "plan" shall set forth the 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.

- 3) **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 include, at a minimum, economic and trend data regarding the community, customer base, products and services to be offered, a review of competition, and a description of the proposed facilities including associated costs.

- 4) **EXPENSE AFFIDAVIT:** A majority of incorporators shall file with the Department, at the time of filing the Articles, an affidavit setting forth all expenses incurred or to be incurred in connection with the organization of the state trust company, subscription for its shares, and sale of its shares.

- 5) **ADEQUACY OF CAPITAL STRUCTURE:** Minimum capital requirements are set forth in Act 940 of 1997 for a state-chartered trust company at one million dollars plus any additional capital requirement which will be set at the discretion of the Commissioner. Notwithstanding statutory requirements, the Bank Commissioner will exercise his judgement as to the adequacy of the proposed capital structure. The Bank Commissioner 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).

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 structure			\$

It shall be the policy of the proposed trust company to maintain at all times an adequate capital structure.

- 6) **LIST OF STOCK SUBSCRIBERS:** Attach to this application a sample stock subscription offer (See attached Stock Subscription Offer) and a complete **alphabetized** list of each stock subscriber, including name, address, number of shares subscribed, and amount paid for each.

- 7) **ESTIMATED FINANCIAL STATEMENTS:** Provide estimated pro forma balance sheets and income statements of the proposed trust company for the first four years of operations. **Applicant may report financial information in another format, however, please include all categories listed below.**

AVERAGE ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4
CASH				
INVESTMENTS				
LOANS (NET)				
FIXED ASSETS				
OTHER ASSETS				
TOTAL ASSETS	\$	\$	\$	\$

AVERAGE LIABILITIES

BORROWINGS				
FED FUNDS PURCHASED				
SUBORDINATED NOTES				
OTHER LIABILITIES				
TOTAL LIABILITIES	\$	\$	\$	\$

TOTAL EQUITY CAPITAL _____

TOTAL LIABILITIES AND EQUITY CAPITAL	\$	\$	\$	\$
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OPERATING INCOME

Interest on Loans/Inv.				
Estates and Trusts				
Custody and Agencies				
Corporate Trusts				
Employee Benefit Trusts				
Other Operating Inc.				
Gross Operating Inc.	\$	\$	\$	\$

OPERATING EXPENSES

Interest on Trust Deposits				
Interest on Borrowings				
Salaries and Benefits				
Occupancy Expense				
Provision for Loan Loss				
Other Operating Exp				
Income Taxes				
Total Operating Exp	\$	\$	\$	\$

Net Operating Income	\$	\$	\$	\$
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Number of Officers
 Number of Employees

Trust Application 5
 Public State Trust Company

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8) **TRUST COMPANY SERVICE CHARGES:** Will a uniform schedule of service charges be adopted? If yes, attach schedule.

9) **SCHEDULE OF TRUST BUSINESS:**

a) Provide a schedule of the estimate of the trust business by type including the number of accounts and anticipated dollar of book value that may be obtained in each year over a period of four years of operation.

Type	Year 1		Year 2		Year 3		Year 4	
	#Accts	Value	#Accts	Value	#Accts	Value	#Accts	Value

b) Describe source data, survey, other economic assumptions used in arriving at the above estimates.

10) **FIXED ASSET EXPENDITURE:**

a) A brief legal description of any property to be acquired along with a physical description of any structures to be acquired or constructed along with an itemized schedule of costs (submit a copy of any option-to-purchase executed by the company or its representative and any proposed contract or estimate of costs to be incurred with the establishment of the proposed trust company). If temporary facilities are to be occupied, please provide a description and details.

See Attachment - **Fixed Asset Expenditures**

b) A copy of any proposed lease(s) of any property or assets associated with the establishment of the proposed facility. A bankruptcy clause should be included in all leases. An example of such a clause follows:

Notwithstanding any other provisions contained in this lease, in the event the Lessee is closed or taken over by the banking authority of the State of Arkansas the Lessor may terminate the lease only with the concurrence of such banking authority and any such authority shall in any event have the election either to continue or to terminate the lease: Provided, that in the event this lease is terminated, the maximum claim of Lessor for damages or indemnity for injury resulting from the rejection or abandonment of the

unexpired term of the lease shall in no event be in an amount not exceeding the rent reserved by the lease, without acceleration, for the year next succeeding the date of the surrender of the premises to the Lessor, or the date of re-entry of the Lessor, whichever first occurs, whether before or after the closing of the trust company, plus an amount equal to the unpaid rent accrued, without acceleration up to such date.

- c) A detailed list of all equipment, furniture, fixtures, vault, etc., to be acquired.

See Attachment - **Fixed Asset Expenditures**

- d) Information regarding the fair market value or appraised value of any property, building, fixtures, equipment, etc., to be acquired (submit comparative sales information where appropriate). Submit a complete list of any fees paid in connection with the acquisition of property listing recipient, type of service for which the fee was paid, amount, and relationship with trust company if any.

- 11) **MANAGEMENT:** List the proposed Directors and Executive Officers with information concerning each. Following the name of each of the proposed Officers provide a brief resume of past business and fiduciary experience and any other qualifications as well as a brief statement of the proposed duties and responsibilities in connection with trust operations. It is also requested that each proposed Director, Officer and key employees complete the attached **Financial Report** and **Biographical Statement** 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

- 12) **PROPOSED CHANGES IN MANAGEMENT:** Indicate if any changes are contemplated in the directorate or active management of the trust company, as shown above, within the first year of operation.
- 13) **PROPOSED SALARIES:** Provide proposed salary information to active officers and employees for the first four years:

Title	Year 1	Year 2	Year 3	Year 4
President				
Vice President				
Treasurer				
Secretary				
Trust Officer				
Bookkeeper/Clerical				
Other (Specify)				
TOTALS	\$	\$	\$	\$

- 14) **INSURANCE COVERAGE:** Provide a description of the fidelity insurance to be purchased covering each director, officer, and employee.

- 15) **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.

- 16) **STATEMENT OF PRINCIPLES OF TRUST MANAGEMENT:** In recognition of the necessity for establishing guidelines for the sound operation of a trust company, it is recommended that the Board of Directors formally adopt the following statement.

The minimum requirements for sound practices in the operation of a trust company and as safeguards for the protection of depositors, fiduciary beneficiaries, creditors, stockholders, and the public, should include:

- a) Involvement by the Board of Directors in providing for the establishment and continuing operation of a trust company;
- b) Operation of the trust company separate and apart from every other department of the company, with trust assets separated from other assets owned by the company, and the assets of each trust account separated from the assets of every other trust account; and
- c) Maintenance of separate books and records for the trust company in sufficient detail to properly reflect all trust company activities.

Nothing herein is intended to prohibit the Board of Directors from acting as the Trust Committee, or from appointing additional committees and officers to administer the operations of the trust company. When delegating duties to subcommittees and/or officers, the Board and the Trust Committee continue to be responsible for the oversight of all trust activities. Sufficient reporting and monitoring procedures should be established to fulfill this responsibility.

The Board of Directors, by proper resolution included in its minutes, should:

- a) Designate an officer, qualified and competent, to be responsible for and administer the activities of the trust company. In addition, the Board should define the officer's duties.
- b) Name a trust committee consisting of at least three Directors to be responsible for and supervise the activities of the trust company. The committee should include, where possible, one or more Directors who are not active officers of the bank.

The Trust Committee should:

- 1) Meet at least quarterly, and more frequently if considered necessary and prudent to fulfill its supervisory responsibilities;
- 2) Approve and document the opening of all new trust accounts; all purchases and sales of, and changes in, trust assets; and the closing of trust accounts;
- 3) Provide for a comprehensive review of all new accounts for which the company has investment responsibility promptly following acceptance;

- 4) Provide for a review of each trust account, including collective investment funds, at least once during each calendar year. The scope, frequency, and level of review (trust committee, subcommittee, or disinterested account officer) should be addressed in appropriate written policies which give consideration to the company's fiduciary responsibilities, type and size of account, and other relevant factors.

Generally, discretionary account reviews should cover both administration of the account and suitability of the account's investments, and nondiscretionary account reviews should address account administration;

- 5) Keep comprehensive minutes of meetings held and actions taken;
and
 - 6) Make periodic reports to the board of its actions.
- c) Provide comprehensive written policies which address all important areas of trust activities.
 - d) Provide competent legal counsel to advise trust officers and the Trust Committee on legal matters pertaining to fiduciary activities.
 - e) Provide for adequate internal controls including appropriate controls over trust assets.
 - f) Provide for an adequate audit (by internal or external auditors or a combination thereof) of all fiduciary activities, annually. The findings of the audit, including, including actions taken as a result of the audit, should be recorded in its minutes.

If a trust company adopts a continuous audit process instead of an annual audit process, the audit may be performed on an activity-by-activity basis, at intervals commensurate with the level of risk associated with that activity. Audit intervals must be supported and reassessed regularly to ensure appropriateness given the current risk and volume of the activity.

- g) Receive reports from the Trust Committee and record actions taken in its minutes.
- h) Review the examination reports of the trust company by supervisory agencies and record actions taken in its minutes.

If the above requirements cannot be met, please explain in detail.

17) **INDEPENDENT AUDIT**: The following is a description of the plans for providing the new trust company with independent external audit services annually:

18) **COMPETITION**: List the name, location, and total capital and assets of all trust institutions that serve the proposed trust company’s service area from their existing locations. List the distance of each financial institution from the proposed trust company site, as well as all trust companies and banks with trust powers in the county of your location.

Name of Institution	Location (City)	Total Capital	Total Assets	Distance and Direction From Proposed Institution

CERTIFICATE

In support of this application, the undersigned 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 Bank Commissioner to approve the proposed trust company and hereby request that an Examiner of the Arkansas State Bank Department be assigned to make the necessary investigation.

Signed:

Dated: _____

ATTACHMENTS

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Charter No. _____

Articles
OF
Agreement and Association
OF THE

Situated at _____

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

Approved by the Bank Commissioner on this _____ day of _____, 20____.

Bank Commissioner of the State of Arkansas

ATTEST:

Secretary

STATE OF ARKANSAS

State Bank Department

ARTICLES OF AGREEMENT AND ASSOCIATION 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 Trust Institutions Act 940 of 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 trust company shall be _____

_____ Dollars, the number of shares, the relative preferences, and powers and

rights of each class shall be _____, ___ of which has been

subscribed for and paid in by the Incorporators at an aggregate price of_

_____ Dollars resulting in a total capital structure as shown by the

endorsement upon the front page of these articles.

Fourth: 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

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

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

Seventh: The powers of the state trust company, *which may be stated as: all powers granted to a state trust company in this state; or a list of the specific powers that the state trust company chooses and is authorized to exercise*

Eighth: The period of its duration shall be _____

Ninth: 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:

Tenth: 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.

Eleventh: 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, the _____ 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 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 State Trust Company*
_____, Arkansas

Dear Sir:

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

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 trust company, 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 the Arkansas State Bank Commissioner.

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 Arkansas 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 before the Trust Company can commence operations. If a State charter is not granted the stock subscription funds paid to the Trust Company, 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 TRUST COMPANY

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 Trust

Insert Name and Address of State Trust Company
Company and _____, Arkansas,

Insert Name of Escrow Bank, City
hereinafter called the Escrow Bank.

WITNESSETH:

WHEREAS, representatives of the new Trust Company and others propose organization of a state-chartered trust company in _____, Arkansas, to be named _____ and have individually subscribed to *Insert Name of Trust Company* 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 Trust Company 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 Trust Company in its capacity as a newly organized trust company 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 Trust Company 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 Trust Company 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 Trust Company upon delivery of the aforesaid moneys. It is anticipated that, from time to time, the new Trust Company 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 Trust Company and subject to the terms, conditions and covenants of this agreement.

(2) The parties understand and expect that the new Trust Company and the subscribers to the new Trust Company will make application to the Arkansas State Bank Department for a charter for the proposed new Trust Company. 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 Trust Company is unsuccessful in its application for a state bank charter and the effort to organize the new Trust Company is abandoned, Escrow Bank will disburse the proceeds deposited with it hereunder to the organizers hereunder as the duly authorized representatives of the new Trust Company 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 Trust Company.

(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 Trust Company to act on behalf of its subscribers to stock in said new Trust Company. 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 Trust Company to its subscribers for stock. Escrow Bank shall not be responsible for any defaults of the new Trust Company under any agreements which 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 Trust Company warrants and covenants with Escrow Bank that if the venture is unsuccessful, the new Trust Company shall pay to each subscriber all sums of money theretofore deposited by or for the account of the new Trust Company and the new Trust Company agrees to indemnify and hold Escrow Bank harmless for any sums disbursed to the new Trust Company.

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

Name of Trust Company
IN ORGANIZATION

Name of Escrow Bank
_____, Arkansas
City

By _____
Organizers

By _____

By _____
Organizers

LEGAL NOTICE

This is to inform the public that an Application for Proposed Trust Company 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 trust company, city, state*).

Anyone may write in favor of or protest against the application within thirty (30) days from the official notification of this 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. If you have any questions concerning procedures, contact the Commissioner's office at 501-324-9019.

EXAMPLE OF NOTIFICATION LETTER

(Date)

(Name)

(Title)

(Trust Company or Bank with trust powers)

(Address)

(City, State, Zip)

Re: **OFFICIAL NOTIFICATION**

Dear *(salutation)*:

Notice is hereby given that an application for a new trust company has been filed with the Arkansas State Bank Department. The proposed name and location of the applicant trust company are: *(name of proposed trust company, address, city, county, state)*.

IF IT IS THE BOARD OF DIRECTORS' INTENTION TO FORMALLY PROTEST THE APPLICATION, A FILING FEE ACCOMPANIED BY A FORMAL, WRITTEN OBJECTION MUST BE RECEIVED BY THE ARKANSAS STATE BANK DEPARTMENT WITHIN THIRTY CALENDAR DAYS FROM THE DATE OF THIS LETTER.

An official protest requires a \$2,000 filing fee by each protestant which must be accompanied by formal, written objections to the application. Checks should be made payable to the Arkansas State Bank Department.

Sincerely,

(Authorized Officer)

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.

**BIOGRAPHICAL STATEMENT OF APPLICANT-INCORPORATOR,
DIRECTOR, OFFICER, STOCKHOLDER OR EMPLOYEE**

Instructions:

1. This form is to be completed by each proposed director, officer, or key employee.
2. Submit an original and three copies. Sign all copies.
3. Answer all questions. If more space is needed to answer any questions, attach an additional sheet and identify by number.

Name of proposed Trust Company			
Address	City	State	Zip Code

1. Full Name				
2. Other names you have used or are now using (If none, so state)				
3. Date of Birth	Place of Birth			Social Security Number
4. Business Address	City	State	Zip Code	Telephone Number
5. Residence Address	City	State	Zip Code	Telephone Number
6. List previous residences during the past ten (10) years				
7. Education				
Name of High School				Years Attended
Address	City	State	Zip Code	
Colleges or Other Schools (Describe in detail giving name, address, years attended, field of study, and degree received)				
8. Present Occupation or Business Activities (Describe in detail giving name, address, and type of business)				

9. Past Occupations and Business Activities

a. Have you ever been discharged from employment for reasons other than lack of work? No Yes - Explain fully.

b. Have you ever been required by a former employer to tender your resignation? No Yes- Explain fully.

10. List all interests and extend thereof now held by you or held by you within the past five (5) years in the following:

a. FINANCIAL INSTITUTIONS:

Any State-chartered bank or Trust Company

Any Other Financial Institution

b. Business Allied to Real Estate Sales and Development:

c. Building Construction Business:

d. Insurance:

e. Business Allied to Installment Lending Activities:

f. Business Allied to Investment or Investment Advisory:

11. Have you ever been affiliated with any proposed domestic, foreign, state, or federal financial institution which did not become operative? No Yes - Explain extent of interest and nature of affiliation:

12. Have you ever been arrested? No Yes - Give full history of charge, the year thereof, place, and final disposition:

13.a.	NO	YES
Have you or a closely held business ever filed a voluntary petition in bankruptcy?		
Have you or a closely held business ever had an involuntary petition in bankruptcy filed against you?		
Have you or a closely held business ever been involved in a forced liquidation?		
Have you or a closely held business ever been involved in an equitable receivership?		
Have you or a closely held business ever been involved in any proceeding similar to those above?		

13.b. If the answer to any of the foregoing is "yes," give full details thereof, including bankruptcy number, date, place, name of business, and final disposition:

14. Describe any pending civil litigation of any nature in which you are involved as plaintiff or defendant (State nature of case and number and court in which pending):

15. Are you now serving or have you ever served in the following capacities? If “yes,” give full details, including circumstances and dates service commenced and terminated (If involuntary resignation, so state and explain):

(a) Trustee:		No		Yes
(b) Guardian:		No		Yes
(c) Executor:		No		Yes
(d) Administrator:		No		Yes
(e) Similar Fiduciary Capacity:		No		Yes

16. Provide two (2) credit references (If possible, list your financial institution connection and the report of a credit reporting agency such as Dunn and Bradstreet).

NAME	ADDRESS

17. Give names and addresses of three (3) individual character references:

NAME	ADDRESS

18. List any other matters that you feel bear upon your character, experiences and general fitness to engage in the trust business (civic, professional, church, or social affiliations).

FINANCIAL REPORT

FINANCIAL STATEMENT AS OF _____
(in thousands)

ASSETS		LIABILITIES AND NET WORTH	
1. Cash on hand and in financial institutions	\$	8. Accounts payable	\$
2. Marketable securities (Schedule A)		9. Notes payable & other loans (Schedule F.)	
3. Other Securities		10. Real estate mortgages (Schedule C)	
4. Notes receivable (Schedule B)		11. Other liabilities (Schedule G)	
5. Real estate (Schedule C)		TOTAL LIABILITIES	\$
6. Proprietary interests (Schedule D)		12. Net worth (Total assets less total liabilities)	
7. Other assets (Schedule E)			
TOTAL ASSETS	\$	TOTAL LIABILITIES AND NET WORTH	\$

CONTINGENT LIABILITIES

In addition to the liabilities listed above, have you endorsed, guaranteed, or become otherwise indirectly or contingently liable for the debts of others or through a pending lawsuit? No Yes If “yes,” complete the following:

Name and address of Debtor/Obligor	Name and address of Creditor/Obligee	Description and Value of Collateral	Date Due	Current Amount
TOTAL				\$

SUPPORTING SCHEDULES

Schedules must agree in total with the appropriate item contained in the Financial Statement of this report.
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Schedule A - Marketable Securities

Indicate all debt and equity securities listed on an exchange or otherwise regularly traded in an open market. Separate debt and equity securities. Securities of closely held corporations should be listed on Schedule D-- Proprietary Interests. The description should include the name of the issuer; the principal amount or number of shares held; and the interest rate, if applicable. Small holdings may be aggregated and shown as "other" provided that they account for no more than 10% of marketable securities.

DESCRIPTION	MARKET VALUE
TOTAL (item 2 on Financial Statement)	\$

Schedule B - Notes Receivable

The description should include the name of the obligor; the note's maturity and terms of repayment; and a description of any collateral. If the note is payable to you and others jointly, indicate only your beneficial interest under Current Balance.

DESCRIPTION	CURRENT BALANCE
TOTAL (item 4 of Financial Statement)	\$

Schedule C - Real Estate and Related Loans

List all real estate in which you held a beneficial interest. Submit year-end financial statements, including profit and loss statements, for the last two years for each investment (exclude residence) in which you have an interest equal to 10% or more of your net worth. Also, submit a cash flow statement on any investment property valued at greater than 10% of net worth.

Description and Location (City and State)	Owner of Property	% Ownership	Mortgage Holder	Maturity Date	Current Market Value*	Current Balance **
					\$	\$
Total					\$	\$

* item 5 on Financial Statement

** item 10 on Financial Statement

Schedule D - Proprietary Interests

List all business enterprises in which you held a beneficial interest. The term “business enterprise” includes a corporation, association, partnership, business trust, sole proprietorship, or other business, the shares of which are not listed on a securities exchange or otherwise regularly traded. Under “Legal Form of Business,” state the legal form of the business (corporation, joint venture, etc.). Submit year-end financial statements, including profit and loss and cash flow statements, for the last two years for each business interest in which you have an interest equal to 10% or more of your net worth.

Name and Address of Business	Legal Form of Business	Nature of Business	% Ownership	Current Value
				\$
TOTAL (item 6 on Financial Statement)				\$

Schedule E - Other Assets

If any one asset amounts to 10% or more of net worth, briefly describe the asset. Include accounts receivable, merchandise and inventory at lower of cost or market value, machinery and equipment (less depreciation), life insurance at its cash surrender value, retirement funds (IRA, Keogh, etc.).

Description	Basis for Valuation	Current Value
		\$
TOTAL (item 7 of Financial Statement)		\$

Schedule F - Notes Payable and Other Loans

Indicate all loans or notes payable other than real estate mortgages listed in Schedule C. Loan origination information must include the original date, loan amount, and co-makers, if any, and their percent obligation. Small obligations may be aggregated and shown as "other" provided that they account for no more than 20% of other loans and notes payable. Indicate any debt that is contractually delinquent by an asterisk next to the current balance.

Name and Address of Creditor and Loan Origination Information	Description and Value of Collateral	Maturity Date	Current Balance
			\$
TOTAL (item 9 of Financial Statement)			\$

Schedule G - Other Liabilities

If any one liability amounts to 10% or more of net worth, briefly describe it. Include interest and taxes due and unpaid, other debts accrued and other liabilities.

Payable To	Description	Maturity Date	Current Balance
			\$
TOTAL (item 11 of Financial Statement)			\$

CASH FLOW STATEMENT*

<u>Sources of Cash</u>	20____	20____	Year to Date 20____	Projected Next Year 20____
Salaries, wages, commissions, or other employment income	\$	\$	\$	\$
Rents, royalties, and investments				
Income from dividends and interest				
Other sources				
Total cash received				
<u>Uses of Cash</u>				
Personal living expenses (rent, household, etc.)				
Fixed obligations				
Income taxes				
Other uses				
Total cash outlay				
NET CASH FLOW (deficit)	\$	\$	\$	\$

*Discuss any significant changes and itemize any items amounting to 10% or more of total income on a separate page, including insurance payments. Fixed obligations include bank loans, other loans, amortization and other debt servicing, and non-loan expenses for real estate investments. Any loan proceeds and debt service associated with this transaction should be included in projections for "Other" sources and uses.

Name of Proposed Trust Company

I hereby acknowledge and agree that my misrepresentation or omission of a material fact with respect to the foregoing representations or with respect to any other documents or papers which contain my signature and been submitted in connection with the application of the above named proposed trust company for authority to operate and transact business as a trust company, shall unless expressly waived by the State Bank Commissioner, constitute fraud in the inducement and grounds for denial of a state trust company charter in this or any other matter; and grounds to require my resignation as a director or officer of said trust company and may subject me to other legal sanctions.

Date

Signature

Proposed (Check all that apply)

Applicant-Incorporator

Director

Officer

SUBSCRIBED AND SWORN to before me this _____ day of _____ 20____.

Notary Public

My Commission Expires:
