



Comptroller of the Currency
Administrator of National Banks

Western District Office
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Denver, Colorado 80202
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April 26, 2007

**Conditional Approval #803
May 2007**

Mr. Earl L. Wright
President and CEO
AMG National Trust Bank
6501 East Belleview Avenue, Suite 400
Englewood, Colorado 80111

RE: Conversion application (OCC Control No. 2006 WE 12 0186);
Expansion application (OCC Control No. 2006 WE 12 0190);
AMG National Trust Bank, Englewood, Colorado (Bank)

Dear Mr. Wright:

The Office of the Comptroller of the Currency (OCC) has reviewed your request to amend the Bank's Articles of Association. We received your request on June 21, 2006.

At present, the Bank's Article Second limits the Bank's activities as follows:

“The business of the association shall be limited to the full fiduciary powers of national banks and the support of activities incidental to the exercise of those powers. The association may not expand or alter its business beyond that stated in this article without the prior approval of the Comptroller of the Currency.”

The Bank has requested the OCC's approval for the shareholder of the Bank to amend the Articles by striking the language noted above, and replacing it with the following amendment:

“The general business of the association shall be conducted at its main office and its branches.”

This amendment would have the effect of allowing the Bank to conduct a full range of commercial banking services.

The OCC hereby grants preliminary conditional approval of your request. This preliminary conditional approval is granted based on a thorough evaluation of all information available to the

OCC, including the representations and commitments made in the application and by the Bank's representatives. We also made our decision to grant preliminary conditional approval contingent upon the Bank receiving permission from the Federal Reserve for the Bank's parent company to become a bank holding company, and obtaining deposit insurance from the Federal Deposit Insurance Corporation (FDIC) prior to the amendment to the Articles becoming final. In addition, the Bank must receive any other required regulatory approvals.

The OCC has granted preliminary conditional approval only. Final approval and authorization for the Bank to conduct any commercial banking operations (other than fiduciary activities) will not be granted until all preopening requirements are met. Until final approval is granted, the OCC has the right to alter, suspend, or revoke this preliminary conditional approval should the OCC deem any interim development to warrant such action.

This preliminary conditional approval is subject to the following conditions:

1. The Bank: (i) shall give the Denver Field Office at least sixty (60) days prior written notice of the Bank's intent to significantly deviate or change from its business plan or operations and (ii) shall obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to a bank's notice. For the first three years of operation, the Bank also must provide a copy of such written notice to the FDIC's Dallas Region.¹
2. The OCC requires that, prior to expanding as a full service commercial bank, the bank engage an independent, external auditor to perform an audit according to generally acceptable auditing standards of sufficient scope to enable the auditor to render an opinion on the financial statements of the bank as a whole. The OCC expects that such audits will be performed annually for at least three years following commencement of full commercial banking operations.
3. For a period of two years following commencement of full commercial banking activities, the bank must file and obtain the OCC's written determination of no objection prior to any new executive officer of the Commercial Division.

These conditions of approval are conditions "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

¹ If such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

In addition, the granting of the OCC's final authorization to commence any commercial banking operations will be contingent on the Bank satisfying the following pre-commencement requirements:

1. The Bank must ensure its fidelity bond coverage is adequate, in light of the expansion of activities, in accordance with 12 CFR 7.2013.
2. The individual serving as the Commercial Division President must serve on the board of directors, as long as that individual holds that position as Commercial Division President.
3. The sole shareholder of the bank must amend the bank's Articles of Association, which currently limit the bank's activities to trust related operations.
4. The board must adopt minimum policies and procedures that are normally required for *de novo* commercial banks. These policies would include a security program in place that complies with the "Interagency Guidelines Establishing Standards for Safeguarding Customer Information" specified at 12 CFR 30, Appendix B.
5. 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.

6. 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.
 - 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.

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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 Licensing Manual*, pages 37-38, 74-75. This booklet may be found on the OCC’s web site at www.occ.treas.gov/netbank/letters.htm.

7. The OCC must conduct a pre-consummation examination of the bank (equivalent to a pre-opening examination) and find that the bank has met all the requirements and completed the steps necessary to engage in the business of commercial banking prior to the OCC issuing its final authorization for the bank to commence commercial banking activities.

If the Bank has not satisfied these conditions and requirements and commenced the business of commercial banking within 12 months from the date of our preliminary conditional approval, the approval expires. 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 Board is expected to proceed diligently, consistent with their application, for the Bank to commence commercial banking business as soon as possible.

This preliminary conditional 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 United States (U.S.), any agency or entity of the U.S., or any 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.

Please direct any questions concerning preliminary conditional approval to Senior Licensing Analyst Louis Gittleman at (720) 475-7650.

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.

Sincerely,

/s/

Ellen Tanner Shepherd
Director for District Licensing