



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

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

May 14, 2002

**Conditional Approval #531
June 2002**

Mr. Greg Morse
Spokesperson
200 West Main Street
Arlington, Texas 76010

Re: De Novo Charter, Worthington National Bank, Arlington, Texas
Application Control No. 2002-SW-01-0002

Dear Mr. Morse:

The Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of Worthington National Bank . On May 14, 2002, 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 may offer credit life, health, and accident insurance in accordance with 12 C.F.R. §2.

This conditional 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 following conditions:

1. This approval is subject to the condition that the bank: (i) shall give the Dallas South Field Office at least sixty (60) days prior notice of the bank's intent to significantly deviate from or change 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.¹ This condition is enforceable under 12 U.S.C. §1818. The bank must also provide a copy of such notice to the FDIC's Dallas Regional Office during the first three years of operation.

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

2. If the bank implements a transactional web site within the first three years of operation, it is considered a significant change in the business plan. Prior to implementing such an operation, the bank must follow the requirements of Condition No. 1 as well as:
- The bank must submit to the Dallas South Field Office 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.
 - 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 below. An objective, qualified independent source (Reviewer) must conduct the review. 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.
- 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. This booklet may be found on the OCC's web site at www.occ.treas.gov/netbank/letters.htm.
3. The bank must notify all potential technology-related vendors in writing of the OCC's examination and regulatory authority under 12 U.S.C. §1867(c).² 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 conditions of this 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 U.S.C. §1818. As such, the conditions are enforceable under 12 U.S.C. §1818.

²The OCC has the authority to assess the bank for the cost of examining a service provider. See 12 C.F.R. §8.6.

The bank's initial paid-in capital, net of organizational and pre-opening expenses, shall be no less than \$6,400,000. 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. Organizers are expected to proceed diligently, consistent with their application, for the bank to open for business as soon as possible.

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.

The OCC poses no objection to the following persons serving as executive officers and/or directors as proposed in the application. This decision is based on a review of the biographical and financial statement information submitted as well as background checks performed.

<u>Name</u>	<u>Proposed Position</u>
Mr. Greg Morse	Chief Executive Officer/Organizer/Director
Mr. Matthew Steward	President/Director
Mr. James Hall	Chief Financial Officer/COO/ Organizer/Director
Mr. John Boswell	Organizer/Director
Mr. Tim Carter	Organizer/Director
Mr. Roger Gates	Organizer/Director
Mr. Toby Goodman	Organizer/Director
Mr. Mojoy Haddad	Organizer/Director
Mr. James Helzer	Organizer/Director
Dr. John House	Organizer/Director
Mr. David Humphrey	Organizer/Director
Mr. Joe Louis	Organizer/Director
Mr. John Newbern	Organizer/Director

Additional executive officers and directors, are subject to the OCC's prior review and clearance. Any individual subscribing to the stock offering in an amount exceeding 10% of outstanding stock will need to undergo OCC review and approval including background checks, prior to the bank's opening. You are also reminded that for a period of two years after the bank has opened for business, the OCC must review and have no objection to any new executive officer or director *prior* to that person assuming such position.

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

This 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 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. A separate letter is enclosed requesting your feedback on how we handled this application. We would appreciate your response so that we may improve our service. Should you have any questions related to this application, please contact Licensing Analyst Pansy G. Hale or me at (214) 720-7052. The referenced application control number should be included in all correspondence.

Yours truly,

-signed-

Karen H. Bryant
Licensing Manager

Enclosures: "Corporate Organization" Booklet, Minimum Policies and Procedures,
Standard Requirements