



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

Southern District Licensing
500 North Akard, Suite 1600
Dallas, Texas 75201-3323

**Conditional Approval #906
June 2009**

May 29, 2009

Michael K. O'Neal
Winstead P.C.
5400 Renaissance Tower
1201 Elm Street
Dallas, Texas 75270

Re: Town North Bank Nevada, N.A., Henderson, Nevada
Change in Asset Composition Application, Control Number 2009-SO-12-0101
Reduction in Permanent Capital Application, Control Number 2009-SO-12-0106

Dear Mr. O'Neal:

I have reviewed your application for Town North Bank Nevada, N.A. ("TNBN") to change the composition of substantially all the assets by sale, and I conditionally approve the application.

I also approve TNBN's request, dated May 26, 2009, to reduce its permanent capital by \$25,000,000 pursuant to 12 U.S.C. §59 and 12 C.F.R. 5.46(h). It is understood that this capital reduction is related to the sale of the bank's assets, and that the capital reduction will not occur independent of the related purchase transaction.

TNBN applied to the OCC for prior approval of a fundamental change in its asset composition under 12 C.F.R. 5.53. Under section 5.53(c)(1)(i), a national bank must obtain prior written approval of the OCC before changing the composition of all, or substantially all, of its assets through sales or other dispositions. In the proposed transaction, TNBN will sell a majority of its assets to U.S. Bank National Association ND d/b/a Elan Financial Services. Thus, for TNBN the transaction is clearly within the scope of section 5.53(c)(1)(i). The principal purpose of adopting 12 C.F.R. 5.53 was to provide the OCC with a means to monitor and address supervisory concerns raised by so called "dormant" bank charters.

TNBN plans to continue with its current credit card operations immediately after the acquisition. Thus, OCC concerns over the continuation of "dormant" charters are addressed. OCC approval of TNBN's application is consistent with the language and purpose of section 5.53. Our approval of the section 5.53 application is based on and relies upon representations made by TNBN and its representatives.

Michael K. O'Neal, Esq.
May 29, 2009
Page 2

The change in asset composition is subject to the following conditions:

1. TNBN: (i) shall give the Dallas Field Office at least sixty (60) days prior written notice of TNBN'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 to significantly deviate or change from its business plan or operations.

2. TNBN shall submit a prior written notice to the Dallas Field Office and receive OCC approval before engaging in any activity outside of originating and servicing Town North Bank originated and branded consumer or commercial credit cards, as stated in the Change of Asset Composition Application.

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.

If all steps of the transaction are not consummated within 90 days of this letter, this conditional approval shall automatically terminate, unless the OCC grants an extension of the time period.

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 United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

A separate letter is enclosed requesting your feedback on how we handled the application. We would appreciate your response so we may improve our service. Please include the OCC control number on any correspondence related to this filing. Contact Senior Licensing Analyst Brenda E. McNeese or me at (214) 720-7052 if you have any questions.

Yours truly,

signed

Karen H. Bryant
Director for District Licensing