



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

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

**Conditional Approval #610
December 2003**

November 13, 2003

Byron K. Bexley
President
TexStar National Bank (in organization)
Rush Enterprises
P.O. Box 34630
San Antonio, Texas 78265

Re: De Novo Charter, TexStar National Bank, Universal City, Texas
Application Control No. 2003-SW-01-0009

Acquisition and Merger of four branches of Surety Bank, N.A., Ft. Worth, Texas with
and into the proposed TexStar National Bank, Universal City, Texas
Application Control No. 2003-SW-02-0017

Dear Mr. Bexley:

The Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of TexStar National Bank. On November 12, 2003, the OCC granted preliminary conditional approval of your charter application after a determination that your proposal met certain regulatory and policy requirements. Your request for the Bank to acquire and merge the four branches of Surety Bank, N.A., Fort Worth, Texas (branches located in Universal City, Converse, New Braunfels and San Antonio, Texas) is also approved. The acquisition of these branches cannot occur until the charter is approved to open, and is actually opened.

These approvals are granted based on a thorough review of all information available, including the representations and commitments made in the applications, the merger agreement, and by the proposed bank's representatives. The Bank Merger Act requires the OCC to consider "...the effectiveness of any insured depository institution involved in the proposed merger transaction in combating money laundering activities, including overseas branches." We also considered this factor, and believe that approval of this transaction is consistent with that statutory provision. 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.

The OCC has granted preliminary conditional approval only. Final approval and authorization for the Bank to open will not be granted until all pre-opening 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.

The approval is subject to the following condition:

The Bank: (i) shall give the San Antonio North 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 operations¹ 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. For the first three years of operation, the Bank must also provide a copy of such notice to the FDIC's Dallas Regional Office.

This condition is a condition "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, this condition is enforceable under 12 U.S.C. 1818.

The bank's initial paid in capital, net of organizational and pre-opening expenses, shall be no less than \$5,300,000. The manner in which capital is raised must not deviate from that prescribed in the operating plan without prior notification. If the capital for the new bank is not raised within twelve (12) months, or if the new bank is not opened within eighteen (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. The organizers are expected to proceed diligently, consistent with their application, for the bank to open for business as soon as possible.

The OCC poses no objections 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>
Byron K. Bexley	President / Chief Executive Officer / Director
Phillip M. Renfro	Chairman of the Board / Director
W. Marvin Rush	Director
James H. Pearl	Director
W. Maurice Rush	Director

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

Prior to the Bank's opening, the Bank must obtain the OCC's prior written determination of no objection for any additional organizers or executive officers, or directors appointed or elected before the person assumes the position. For a two-year period after the Bank commences business, the Bank must file an Interagency Biographical and Financial Report with the OCC and receive a letter of no objection from the OCC prior to any new executive officer or director assuming such position.

The "Corporate Organization" booklet in the *Comptroller's Licensing Manual* provides guidance for organizing your bank. The booklet is located at the OCC's web site: <http://www.occ.treas.gov/corpbook/group1/public/pdf/corborg.pdf>. 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 Articles of Association and the Organization Certificate to Licensing Analyst Dana Yarborough in this office for our review and acceptance. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval. The Bank may not begin the business of banking until it fulfills all requirements for a bank in organization and the OCC grants final approval.

Enclosed are standard requirements and minimum policies and procedures for new national banks. The Bank must meet the standard requirements before it is allowed to commence business and the Board of Directors must ensure that the applicable policies and procedures are established and adopted before the Bank begins operation.

Under separate cover, the OCC will send to you an appropriate set of OCC handbooks, manuals, issuances, and selected other publications. This information does not include the *Comptroller's Licensing Manual*, which is available only in electronic form at our web site: <http://www.occ.treas.gov/corpapps/corppaplic.htm>.

Prior to the OCC issuing a letter certifying the consummation of the merger, we must receive the following:

- (1) a Secretary's certificate for each institution certifying that a majority of the Board of Directors approved the transaction, and
- (2) an executed Purchase and Assumption agreement.

As a reminder, the OCC must be advised in writing in advance of the desired effective date for the merger so that the OCC may issue the necessary certification letter. If the merger is not consummated within one year from this approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

This conditional approval for the charter and merger applications, and the activities and communications by the 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 laws and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

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 National Bank Examiner/Licensing Analyst Dana Yarborough or me at (214) 720-7052. The referenced application control number(s) should be included in all correspondence.

Yours truly,

/s/ Karen H. Bryant

Karen H. Bryant
Licensing Manager

Enclosures: Minimum Policies and Procedures
Standard Requirements
Survey Letter