



Arkansas State Bank Department

Candace A. Franks
Commissioner

Mike Beebe
Governor

MEMO

DATE: August 3, 2010
TO: Applicant
FROM: Candace A. Franks, Bank Commissioner
RE: Expedited Application for Out-of-State Branch Bank

As I am sure you are already aware, the President recently signed the Dodd-Frank Wall Street Reform and Consumer Protection Act into law. One provision of this federal law addressed de novo branching for banks and preempts restrictions on interstate de novo branching provided by Arkansas state law. Arkansas state-chartered banks are now free to branch into other states, as out-of-state chartered banks are now free to branch into Arkansas.

The only portions of the Arkansas Banking Code (hereafter "Banking Code") preempted are the restrictions against interstate branching. The provisions of the Banking Code and Department Regulations addressing establishment of a branch bank facility will also provide the process for establishment of a branch bank facility in another state. An Applicant must also review and adhere to any requirements outlined by the state law of a potential host state.

If you have any questions related to de novo interstate branching, feel free to contact our Department at any time.

APPLICATION FOR AN OUT-OF-STATE BRANCH BANK - EXPEDITED
submitted to the
ARKANSAS STATE BANK DEPARTMENT

By

Corporate Title of Applicant

Street Address

Charter Number

City

County

State

Zip Code

(hereinafter referred to as "**Applicant**")

hereby applies to the State Bank Commissioner for written consent for the establishment and maintenance of a full service branch bank to be operated at the following location:

Street Address

City

County

State

Zip Code

Will a temporary facility be utilized until the permanent facility is completed?

Yes No

Will this branch location be operated under a different trade name than the corporate title of Applicant?

Yes No

If the answer is Yes, please provide the proposed trade name of the branch and complete the enclosed Application for Fictitious Name. Please remain aware of the Interagency Statement on Branch Names, dated May 1, 1998, which details federal guidelines for depository institutions operating branches under different trade names.

Name, title, address, and telephone number of person(s) to whom inquiries concerning this application may be directed:

I hereby certify that the bank's board of directors has authorized the filing of this application and that to the best of my knowledge, it contains no misrepresentations or omissions of material facts.

Signature of Authorized Officer

Date of Application

Typed Name

Title

Telephone Number

AUTHORITY

A bank may establish one or more "full service branch" banks pursuant to the provisions of A.C.A. § 23-48-703 and Arkansas State Bank Department Rules and Regulations § 48-703.1.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 613, now provides de novo branching for state-chartered banks into other states where the home state law did not previously allow. This federal legislation preempts any prohibition against de novo interstate branching provided by state law.

FICTITIOUS NAME

Pursuant to A.C.A. § 23-48-309 – Names of state banks and subsidiary trust companies; “No state bank or subsidiary trust company shall conduct any business in this state under a fictitious name unless it first files with the Commissioner a form supplied or approved by the Commissioner giving the following information:

- a) The fictitious name under which business is being or will be conducted by the applicant corporation;
- b) A brief statement of the character of business to be conducted under the fictitious name;
- c) The corporate name, state of incorporation, and location (giving city and street address) of the registered office in the state of the applicant corporation.”

If it is Applicant’s intention to use a fictitious name, a separate “Application for Fictitious Name” must be completed.

See Attachment – **Application for Fictitious Name**

PROCEDURES

An application received by the State Bank Department (hereinafter "Department") will be reviewed for legality and receipt of all requested documentation prior to filing. Applicant will be notified in writing of the filing of the application.

In accordance with Arkansas State Bank Department Regulation § 48-703.1:

Fee: Applicant shall submit to the Department a non-refundable filing fee of \$300 for the establishment of a new branch office.

Notice Published by Applicant: Notice of intent to file an application must appear in a newspaper of statewide circulation one (1) time per week for four (4) consecutive weeks prior to filing the application with the Commissioner. The application may not be filed with the Commissioner less than thirty (30) days from the date of the first publication, and not later than twenty (20) days after the fourth and final publication. A proof of publication must be submitted to the Commissioner.

Temporary location – If a temporary location is going to be utilized until the permanent facility is completed, and the address is not the same as the permanent site, this information must also be included in the publication. The address of the temporary location should be included in the publication.

Federal publication requirements for a branch application provide that the notice shall be published once in a newspaper of general circulation in the community or communities in which the home office and the proposed branch are located. Evidence of notice must accompany the application to the federal agency. The application should be submitted to the appropriate federal agency within time frames established by the agency.

Notice by Commissioner: In accordance with § 48-703.1(d), the Commissioner shall give notice of the application to Arkansas state-chartered banks with a bank or a full service branch currently open and operating within the market area of the proposed new branch.

Requirements of Host State: Applicant shall review and determine what requirements and/or notice is required by the potential host state prior to filing an expedited application for an out-of-state branch bank application with the Commissioner. Evidence of compliance with those potential host state requirements and/or notice shall accompany this application.

In accordance with Arkansas State Bank Department Regulation § 48-703.3:

Protest: A written protest to a full service branch application may be filed with the Commissioner within fifteen (15) days of the filing of the application. The protest shall be filed in accordance with A.C.A. § 23-48-703(e).

Written Decision: Pursuant to A.C.A. § 23-48-703(g)(2), the Bank Commissioner's decision on a branch bank application will be in the form of an order consisting of findings of fact and conclusions of law given by the Commissioner within a reasonable time period **following the expiration of the fifteen (15) calendar day formal protest period.**

Appeal of Decision: Pursuant to A.C.A. § 23-48-703(h), within thirty (30) days after the Commissioner issues an order accepting or rejecting a full service branch application, an Applicant or a party that filed a protest to the full service branch application may appeal the Commissioner's order to the circuit court of the county where the full service branch will be established.

SUPPORTING INFORMATION/DOCUMENTATION

Applicant must submit the following information and/or documentation in support of the application to establish a full service branch. The Bank Department may also request, on a case-by-case basis, any additional information as needed to process an application. Please number responses to correspond with the following:

1) Arkansas Bank Department Rules and Regulations require publication in a newspaper of statewide circulation. Notice of intent to file an application must appear in a newspaper of statewide circulation one (1) time per week for four (4) consecutive weeks prior to filing the application with the Commissioner. A proof of publication must be submitted to the Commissioner.

Federal publication requirements are addressed within the procedures section of this application. A sample legal notice is attached.

See Attachment - **Legal Notice**

2) The total anticipated costs associated with the establishment of the proposed branch _____. This amount includes _____ for the land and _____ for the building, furniture, fixtures, and equipment.

Please detail whether the proposed branch facility will be purchased, constructed, or leased.

Does the establishment of the proposed branch require the purchase of real estate?

Yes or No

If **yes**, please provide the date of prior approval obtained from the Bank Commissioner _____.

Will the establishment of the proposed branch and the total of all outstanding projects approved by the Bank Commissioner and in process, cause Applicant to exceed one hundred and fifty percent (150%) of the bank's capital base as allowable in A.C.A. § 23-47-103(c)?

Yes or No

If **yes**, please contact the Bank Department.

If prior approval has not been obtained, please refer to the Arkansas State Bank Department Examination Policy #06-01 and provide the requested information for a real estate acquisition.

Will a temporary facility be utilized until the permanent facility is completed?

Yes No

If **yes**, please provide the total cost associated with establishing the temporary facility _____.

3) Does the establishment of the proposed branch concern any involvement, directly or indirectly, by an insider (executive officers, directors, or shareholders who directly or indirectly control five (5) percent or more of any class of outstanding voting stock) of the bank or bank holding company (if applicable) or their immediate family or related interests?

Yes or No

If *yes*, please provide the following information regarding any financial arrangements relating to fees, the acquisition of property, leasing of property, and construction contracts:

- a) name of individual or related interest and relationship to Applicant; and
 - b) information to reflect that terms and conditions are not more favorable, for seller/lessor, than would be available in a comparable transaction with an unrelated party (information should include the fair market value or appraised value of any property, building, fixtures, equipment, etc., to be acquired and comparative sales information). The appraisal or evaluation submitted must be prepared by an independent party.
- 4) Provide the following:
- a) the date of the most recent Community Reinvestment Act (CRA) examination;
 - b) identify the federal or state regulatory agency that performed the examination; and
 - c) the CRA rating assigned. If Applicant did not receive a satisfactory or better rating at its most recent CRA examination, Applicant is not permitted to file an expedited branch application, a standard branch application must be completed.
- 5) Comment on any changes in services to be offered, the community to be served, or any other effect the proposal may have on compliance with the Community Reinvestment Act.
- 6) Utilize the most recent Call Report to answer the following three questions:
- (a) Is Applicant's Total risk-based capital ratio above 10%? Yes or No
 - (b) Is Applicant's Tier 1 risk-based capital ratio above 6%? Yes or No
 - (c) Is Applicant's Tier 1 leverage ratio above 5% Yes or No

If no, to (a), (b) or (c), the transaction does NOT qualify for expedited treatment, Applicant must complete a Standard branch application.

7) Unless the proposed location is in an established commercial shopping center, Applicant must submit a statement to the FDIC to indicate whether or not the site is included or is eligible for inclusion in the National Register of Historic Places, including evidence that clearance has been obtained from the potential host state's equivalent of the Arkansas State Historic Preservation Officer (SHPO). Please forward evidence clearance has been obtained to the FDIC. Respond "Not Applicable" if Applicant is a Federal Reserve member bank.

See Attachment - **State Historic Preservation Information**

- 8) Discuss the impact of the proposed branch on the human environment, specifically, information on compliance with local zoning laws and regulations and the effect on traffic patterns.
- 9) State the anticipated date the proposed branch would be open for business.

LEGAL NOTICE
(for the Arkansas State Bank Department)

Notice is hereby given that *(name and location of applicant)* intends to make application to the Arkansas State Bank Department for *(subject matter of application, including the specific location)*.

Any person desiring to comment on this application to the Arkansas State Bank Department may do so by filing his or her comments in writing to the State Bank Commissioner at the office of the department, 400 Hardin Road, Suite 100, Little Rock, Arkansas 72211. Written comments, including any formal protests, concerning this application must be received in the Arkansas State Bank Department no later than 15 days following the date of the actual filing of the application.

This notice is published pursuant to The Arkansas Banking Code of 1997, as amended.

LEGAL NOTICE
(for non-member banks)

Notice is hereby given that *(name and location of applicant)* intends to make application to the Federal Deposit Insurance Corporation and the Arkansas State Bank Department for *(subject matter of application, including the specific location)*.

Any person wishing to comment on this application may file his or her comments in writing with the Regional Director (DSC) of the Federal Deposit Insurance Corporation at its Area Office at 5100 Poplar Avenue, Suite 1900, Memphis, Tennessee 38137, not later than *(insert the date 15 days after the publication date)*. The nonconfidential portions of the application are on file in the Area Office and are available for public inspection during regular business hours. Photocopies of information in the nonconfidential portion of the application will be made available upon request.

Any person desiring to comment on this application to the Arkansas State Bank Department may do so by filing his or her comments in writing to the State Bank Commissioner at the office of the department, 400 Hardin Road, Suite 100, Little Rock, Arkansas 72211. Written comments, including any formal protests, concerning this application must be received in the Arkansas State Bank Department no later than 15 days following the date of actual filing of the application.

This notice is published pursuant to Part 303.7 of the Rules and Regulations of the Federal Deposit Insurance Corporation and The Arkansas Banking Code of 1997, as amended.

LEGAL NOTICE

NOTE: Federal Reserve member banks are required to publish separate legal notices for the Federal Reserve and the State Bank Department

(for Federal Reserve member banks)

(Name and location of main office) intends to apply to the Federal Reserve Board for the establishment of a full service branch located at: *(branch address, city, county, state)*. The Federal Reserve considers a number of factors in deciding whether to approve the application including the record of performance of banks we own in helping to meet local credit needs.

You are invited to submit comments in writing regarding this application to the Federal Reserve Bank of St. Louis, P.O. Box 442, St. Louis, Missouri 63166. The comment period will not end before *(date - must be not less than 15 days from date of notice)* and may be somewhat longer. The Board's procedures for processing applications may be found at 12 C.F.R. Part 262. Procedures for processing protested applications may be found at 12 C.F.R. § 262.25. To obtain a copy of the Board's procedures or if you need more information about how to submit your comments on the application contact Glenda Wilson, Community Affairs Officer, at 314-444-8317. The Federal Reserve will consider your comments and any request for public meeting or formal hearing on the application if they are received by the Reserve Bank on or before the last date of the comment period.

This notice is published pursuant to the Federal Reserve Act, as amended.

State of Arkansas
ARKANSAS STATE BANK DEPARTMENT
APPLICATION FOR FICTITIOUS NAME

To: Candace A. Franks
Bank Commissioner
Arkansas State Bank Department
400 Hardin Road, Suite 100
Little Rock, Arkansas 72211-3502

Pursuant to the provisions of The Arkansas Banking Code of 1997, the undersigned applicant hereby applies for the use of a fictitious name and submits herewith the following statements:

1. The name of the applicant and its date of qualification in Arkansas:

2. The home state of applicant:

3. The fictitious name under which business is being or will be conducted by the applicant entity:

4. The location (street address, city, and state) of the office where the fictitious name will be used:

Street _____
City _____ State _____ Zip Code _____

5. The character of the business to be conducted under such fictitious name is:

6. The location (street address and city) of the registered office of applicant in Arkansas is:

Street _____
City _____ Zip Code _____

Signature _____

Chairman of the Board, President or other officers (If directors have not been selected, the incorporator may execute)

Address: _____

INSTRUCTIONS:

Prepare the fictitious name form in duplicate and send to the Arkansas State Bank Department, Little Rock, Arkansas. The duplicate bearing the file marks of the Commissioner will be returned to the state bank, registered out-of-state bank or subsidiary trust company. A.C.A. § 23-48-309

Fee: \$25.00