



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

Licensing Activities
250 E Street, SW
Washington, D.C. 20219

**Conditional Approval #974
November 2010**

October 8, 2010

Francis X. Grady
Grady & Associates
20950 Center Ridge Road, Suite 100
Rocky River, Ohio 44116

Re: Notice of Change in Bank Control
First National Bank of Scottsdale, Scottsdale, Arizona (“Bank”)
OCC Control No.: 2010-WE-11-0002

Dear Mr. Grady:

The Comptroller of the Currency (“OCC”) has reviewed and evaluated the Notice of Change in Bank Control (“CBC Notice”) involving First National Bank of Scottsdale, Scottsdale, Arizona (the “Bank”) which was filed by Richard L. Vogel, Harold Mosanko, Lee McPheters, Christian David Roe, Larry L. Seay, and R. Randy Stolworthy, collectively the “Investor Group¹.”

The OCC hereby determines that the CBC Notice is technically complete and decides not to issue a notice disapproving of the proposed acquisition. This decision is based upon a thorough review of the CBC Notice, other materials supplied by the notificants and the notificants’ representatives in connection the filing, and other information available to the OCC, including representations and commitments made in the CBC Notice and during the review process.

The OCC’s decision not to disapprove the acquisition is subject to the following condition:

1. The Investor Group, who will constitute the majority of the board of directors of the Bank after closing, will cause the Bank to submit to the Arizona and New Mexico Field Office of the OCC at least sixty (60) days prior written notice of the Bank’s intent to significantly deviate or change from the Bank’s business plan or operations,² in place prior to the consummation of the change in control, and (ii) shall obtain the

¹ Jeff Christenson was originally a party to the CBC Notice, but he withdrew prior to this decision.

² If such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

OCC's written determination of no objection before the Bank engages in any significant deviation or change from its existing business plan or operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to the Bank's notice.³

2. Within 30 days of consummation of this transaction, the Investor Group will require the Bank to submit a written strategy acceptable to the OCC on its plans to obtain a new data services provider.

These conditions are conditions "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

The decision not to disapprove the CBC Notice also relies on the Investor Group's representation to inject no less than \$20 million⁴ of cash capital into the Bank at closing.

The Bank has entered into a Formal Agreement with the OCC dated January 21, 2010, which among other matters requires the Bank to periodically submit to the OCC the Bank's Strategic Plan which must be acceptable to the OCC. Our non-disapproval of the CBC Notice does not replace or satisfy the Bank's obligation under the Formal Agreement to obtain periodic OCC non-objection to the Bank's Strategic Plan.

By this decision, the OCC also seeks to inform the Investor Group that the Bank is separately required to seek non-objection from the OCC pursuant to 12 CFR 5.50 for changes to directors and executive officers. Any request for such changes will be subject to a separate decision from the OCC.

The date of consummation of this change in control must be provided to the Western District Office within 10 days after consummation. The transaction must be consummated as proposed in the CBC Notice. If any of the terms, conditions, or parties to the transaction described in the CBC Notice change, the OCC must be informed in writing prior to consummation to determine if any additional action or reconsideration is required. In such situations, the OCC reserves the right to require submission of an amended or new Notice of Change in Bank Control.

In addition, unless an extension is granted, the transaction must be consummated within six months of the date of this letter. Failure to consummate within six months or an approved extended time period granted by the OCC will cause this decision to lapse and require the filing

³ The Bank is already subject to a similar condition which was imposed when the Bank was chartered. The condition is re-imposed here on the Investor Group as individuals to clarify that the OCC's non-disapproval of the CBC Notice does not replace the Bank's obligation or the proposed new board's obligation to comply with the chartering condition. All persons who filed the CBC Notice are proposed to be directors of the Bank after closing.

⁴ Before reasonable and bona fide acquisition expenses.

of a new notice and payment of the appropriate filing fee if the acquirer wishes to proceed with the change in bank control.

You are reminded that purchase accounting is required for a change in control of at least 95% of the voting stock of a bank, pursuant to Generally Accepted Accounting Principles. Under purchase accounting, when a bank is acquired, yet retains its separate corporate existence, the assets and liabilities of the acquired bank are restated to their fair values as of the acquisition date. Those values, including any goodwill, are reflected in the financial statement of the acquired bank.

This conditional decision 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 decision is based on the representations made in the CBC Notice, other submissions, and other information available to the OCC as of this date. The OCC may modify, suspend, or rescind this decision 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 your application. We would appreciate your response so we may improve our service.

If you have any questions, contact Senior Licensing Analyst Jim Bundy at (720) 475-7650, or by e-mail at jim.bundy@occ.treas.gov. You should include the application control number on any correspondence related to this filing.

Sincerely,

Beverly L. Evans

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Director for Licensing Activities

Enclosure: Survey Letter