

OFFICE OF THRIFT SUPERVISION

**Approval of Application for Holding Company Acquisition and
Capital Distribution Application**

Order No.: 97-87

Date: September 9, 1997

Priority One Holding Company, Springdale, Arkansas (the "Holding Company Application"), has filed an application with the Office of Thrift Supervision ("OTS") pursuant to section 10(e)(1)(B) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1467a(e)(1)(B), and 12 C.F.R. Part 574, for approval to acquire up to 97% of the outstanding common stock of River Valley Savings Bank, FSB, Ozark, Arkansas (the "Savings Bank"). In conjunction with the transaction, the Savings Bank has submitted an application to make a capital distribution of approximately \$1.7 million pursuant to 12 C.F.R. § 563.134.

The OTS has considered the Holding Company Application and Capital Distribution Application under the factors set forth in section 10(e) of the HOLA and 12 C.F.R. §§ 563.134(e)(1) and 574.7. In addition, the OTS has considered a digest prepared by the OTS Midwest Regional Office, an analysis prepared by Corporate Activities and a legal opinion, dated August 27, 1997, issued by the Business Transactions Division. Based on the foregoing statutes, regulations and materials, the OTS has determined that the proposed acquisition of the Savings Bank by the Holding Company and capital distribution by the Savings Bank would be in compliance with all of the applicable standards and criteria, provided that the conditions set forth below are satisfied. Accordingly, the subject transaction is hereby approved, provided that the following conditions are complied with in a manner satisfactory to the Midwest Regional Director, or his designee ("Regional Director"):

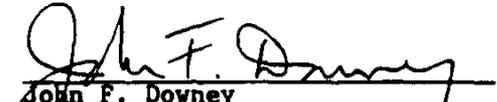
1. The proposed acquisition shall be consummated within 120 calendar days after the date of this order;
2. On the business day prior to the date of consummation of the proposed transaction, the chief financial officers of the Holding Company and the Savings Bank shall certify in writing to the Regional Director that no material adverse events or material adverse changes have occurred with respect to the financial condition or operations of the Holding Company and the Savings Bank, respectively, since the date of the financial statements submitted with the Application;
3. No later than 5 calendar days from the date of consummation of the acquisition, the Holding Company shall file with the Regional Director, a certification by legal counsel stating the effective date of the acquisition, the exact number of shares of stock of the Savings Bank acquired by the Holding Company and that the acquisition has been consummated in accordance with all applicable laws and regulations, the Application, the Stock Purchase Agreement and the approval order;

4. The Savings Bank shall submit to the Regional Director, for prior approval, the terms of all compensation agreements between Messrs. Trevor Lavy and William Reich, including any affiliates or entities under their control, for services performed for the Savings Bank; and

5. Within 60 calendar days from consummation of the acquisition, the Savings bank must submit to the Regional Director, for prior approval, a candidate to serve as the fifth director on the board of directors of the Savings Bank.

Any time period specified herein may be extended by the Regional Director, for good cause, for up to 120 calendar days.

By order of the Director of the Office of Thrift Supervision, or his designee, effective September 9, 1997.



John F. Downey
Executive Director, Supervision