



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

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

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**Conditional Approval #822
October 2007**

September 17, 2007

Mark Haynie
Haynie Rake & Repass, P.C.
Attorneys and Counselors
14651 Dallas Parkway - Suite 136
Dallas, Texas 75254

Re: Kilgore National Bank, Kilgore, Texas; CAIS No. 2007-SO-12-0246

Dear Mr. Haynie:

As of today's date, the Comptroller of the Currency (CC) conditionally approved the application to reorganize Kilgore National Bank, Kilgore, Texas to become a subsidiary of Kilgore National Financial Corp., Kilgore, Texas. This approval is granted based on a thorough review of all information available, including commitments and representations made in the application and those of the bank's representative.

Pursuant to 12 CFR 5.32(d) (1), the OCC's approval is subject to the condition that the bank provides Assistant Deputy Comptroller Marshall Mitchell, of the Longview Field Office, with 60 days' prior written notice of any significant deviation or change from the bank's business plan or any significant deviation from the proposed changes to the bank's business plan as described in the bank's plan of reorganization which was submitted with the application.

The OCC will issue a letter certifying consummation of the transaction after we receive an executed Agreement and Plan of Share Exchange and a certification that shareholder approval was obtained, indicating the percentage of shares voted in favor of the transaction. If the transaction 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 preliminary conditional 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 laws and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

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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 reference CAIS No. 2007-SO-12-0246 in all correspondence forwarded to this office.

If you have any questions concerning this decision, please contact Licensing Specialist Linda L. Pulley at (214) 720-7054 or by email at linda.pulley@occ.treas.gov.

Sincerely,

signed

Brenda E. McNeese
Senior Licensing Analyst