

OFFICE OF THRIFT SUPERVISION

Approval of a Holding Company Application

Order No.: 2007-38

Date: August 20, 2007

**OTS Nos.: 16195, H-4413,
H-4293, H-4294,
H-4295**

First American Capital Corporation (Applicant), Overland Park, Kansas, has applied to the Office of Thrift Supervision (OTS) for approval under § 10(e) of the Home Owners' Loan Act (HOLA) and 12 C.F.R. § 574.3 to acquire control of Brooke Savings Bank (Savings Bank), Phillipsburg, Kansas.

Background

The Savings Bank is a Deposit Insurance Fund (DIF)-insured, federally chartered stock savings bank. The Savings Bank is considered well capitalized pursuant to the OTS Prompt Corrective Action (PCA) regulation.

The Applicant proposes to acquire all of the Savings Bank's stock, and to become the Savings Bank's first-tier holding company.

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Section 10(e)(1)(B) of the HOLA and the Acquisition of Control Regulations thereunder provide that OTS must approve a proposed acquisition of a savings association by a company, other than a savings and loan holding company, unless OTS finds that the financial and managerial resources and future prospects of the company and association involved would be detrimental to the association or the insurance risk of the DIF. OTS must also consider the impact of the acquisition on competition. Finally, OTS must take into account assessments under the Community Reinvestment Act (CRA) when considering holding company applications.

With respect to managerial resources, OTS's review of the Applicant has revealed no material adverse information. In addition, OTS has reviewed the background of each of the Applicant's directors and senior executive officers. The current officers and directors of the Savings Bank are acceptable to OTS, and will remain unchanged. OTS has found no material adverse information regarding any of these persons.

Based on its review, OTS concludes that the managerial resources of the Applicant and the Savings Bank are consistent with approval.

With regard to financial resources, OTS has reviewed the Applicant's financial position. OTS concludes that the Applicant has demonstrated adequate financial resources. The application indicates that the Savings Bank will meet all of its capital requirements and will be well capitalized under the PCA regulation. Based on the foregoing, OTS concludes that the financial resources of the Applicant and the Savings Bank are consistent with approval of the holding company application.

With regard to future prospects, OTS has considered the financial and managerial resources of the Applicant and the Savings Bank, as well as the Savings Bank's business plan. OTS is imposing conditions 5 and 6 to ensure that the future prospects of the Applicant and the Savings Bank are consistent with approval, and to limit the insurance risks of the DIF. Based on the factors considered above and in the discussions regarding managerial and financial resources, OTS concludes that the future prospects of the Applicant and the Savings Bank are consistent with approval, and will not pose undue risk to the DIF.

The transaction will not result in any currently operating, unaffiliated depository institutions becoming affiliated. Accordingly, OTS finds no basis for objection to the transaction on anti-competitive grounds.

With respect to the Applicant's performance under the CRA, the Applicant has not controlled any entities that have been subject to the CRA. At the Savings Bank's CRA examination, dated October 17, 2005, it received a CRA rating of "Needs to Improve." OTS did not receive any comments on the holding company application. The Savings Bank's current CRA plan addresses deficiencies in the Savings Bank's CRA performance that existed before it was acquired by its current holding companies, and OTS believes that adherence to the plan will result in acceptable CRA performance. Accordingly, OTS concludes that the holding company application meets the CRA criterion for approval.

Conclusion

Based on the foregoing, OTS concludes that the application satisfies the applicable approval standards, provided that the following conditions are complied with in a manner satisfactory to the Midwest Regional Director, or his designee (Regional Director). Accordingly, the application is hereby approved, subject to the following conditions:

1. The Applicant and the Savings Bank must receive all required regulatory and shareholder approvals for the proposed transaction and submit copies of all such approvals to the Regional Director prior to consummation of the proposed transaction;
2. The Applicant and the Savings Bank must consummate the proposed transaction within 120 calendar days from the date of this Order;
3. On the business day prior to the date of consummation of the proposed transaction, the chief financial officers of the Applicant and the Savings Bank must certify in writing

to the Regional Director that no material adverse changes have occurred with respect to the financial condition or operation of the Applicant and the Savings Bank, as disclosed in the application. If additional information having a material adverse bearing on any feature of the application is brought to the attention of the Applicant, the Savings Bank, or OTS, since the date of the financial statements submitted with the application, the transactions must not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-objection to consummation of the transaction;

4. The Applicant and the Savings Bank must advise the Regional Director in writing within 5 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction; and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the application, and this Order;
5. For the first eighteen months following the date of consummation of the proposed transaction, the Applicant must receive the prior written non-objection of the Regional Director for any proposed new directors or senior executive officers or any significant changes in responsibilities of any senior executive officer; and
6. The Applicant must abide by condition 7 of OTS Order No. 2006-53 (the definition of Applicants in condition 7 of OTS Order No. 2006-53 applies to the Applicant herein) as if the Applicant had been a holding company applicant in the application approved by OTS Order No. 2006-53.

OTS Order No. 2006-53 remains in full force and effect. The Regional Director may, for good cause, extend any time period set forth herein for up to 120 calendar days.

By order of the Director of the Office of Thrift Supervision, or his designee, effective

August 20, 2007.



Lori J. Quigley
Managing Director
Examinations and Supervision - Operations