



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

March 27, 2000

Conditional Approval #372
April 2000

Mr. George S. Weaver, Jr.
1300 Chapline Street
Wheeling, West Virginia 26003

Re: Application by HBW, Inc. to charter a national CEBA trust bank with the title of
“Security National Trust Company”, Wheeling, West Virginia
Application Control No. 1999-NE-01-0030

Dear Mr. Weaver:

The Office of the Comptroller of the Currency (OCC) has reviewed your application to establish a new national CEBA trust bank with the title of Security National Trust Company (Bank). After a thorough evaluation of all data available to the OCC, we found that your proposal met the requirements for preliminary conditional approval.

We have based our decision to grant preliminary approval on the thorough review of all information available, including representations and commitments made in the application and by the organizers’ representatives.

The bank’s main office will occupy the Paxton House at 1300 Chapline Street, Wheeling, West Virginia. The Paxton House is a contributing resource in the Wheeling Historic District, which is listed in the National Register of Historic Places. This approval is based, in part, on the organizers’ representation that they do not intend to make any interior or exterior alterations to the historic building, and plan to change only the interior decoration. Based upon that representation, the OCC and the West Virginia State Historic Preservation Officer (“SHPO”) agree that the proposal will have no effect to the historic resource. Accordingly, the main office should be established consistent with the plan as represented. Any deviation from that plan will need to be provided to and reviewed by the SHPO and the OCC in advance.

We also made our decision to grant preliminary conditional approval with the understanding that the proposed national trust bank will not be insured by the FDIC, but intends to apply for membership in the Federal Reserve System.

Any significant deviations from the original operating plan during the inorganization phase, or changes in the organizing group or chief executive officer, must receive prior written approval of the OCC. Significant deviations or changes that have not been approved may result in withdrawal of preliminary conditional approval (see Significant Changes discussion in the Introduction of the "Corporate Organization" booklet).

The charter approval is subject to the following conditions:

- The Bank shall maintain a minimum of \$2 million in Tier 1 capital at all times.
- The Bank shall provide the OCC's New York Field Office with at least thirty (30) days prior notice of any significant deviations or changes to the proposed operating plan during the first three years of operations. The bank must also provide a copy of such notice to the FDIC's regional Office in New York.

Please be advised that the above conditions of approval are deemed to be conditions "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 USC 1818.

The organizers represent that the Bank will comply with the OCC regulation on Privacy of Consumer Financial Information and the privacy requirements of the Gramm-Leach-Bliley Act of 1999 (GLBA). Prior to or on the effective date of the privacy provisions of GLBA, the Bank must disclose its privacy policies and practices to its customers.

We understand that certain functions of the Bank internal operations will be contracted out to various vendors. Please note that you must inform potential vendors, in writing, of the OCC's examination and regulatory jurisdiction should they contract with the Bank. This understanding regarding OCC jurisdiction must be included in all vendor contracts. The provisions of 12 CFR 9 would be applicable to any fiduciary activities contracted out to vendors.

You may now form a body corporate and begin organizing the Bank, as soon as you adopt and forward the Articles of Association and Organization Certificate to our Northeastern District Office. As a body corporate or legal entity, you may take those steps necessary for obtaining final approval, but may not accept any appointment as fiduciary until you fulfill all the requirements for a bank in organization and final approval is granted. (See Corporate Organization Booklet enclosed.)

The trust officers and staff should become thoroughly familiar with Fiduciary Powers of National Banks and Collective Investment “ at 12 CFR 9 and 12 CFR 5.26.

Management is reminded that 12 CFR 5.26 requires a national bank which already has approval to engage in fiduciary activities to provide written notice to the OCC when commencing fiduciary activities in a new state.

Enclosed are procedural requirements that must be met before the Bank will be allowed to commence business. Please note that some of the requirements referenced in the enclosed package may not be applicable since the Bank’s activities will be limited to those of a national trust bank. It is the responsibility of management to ensure that the applicable policies and procedures are established and adopted by the Board of Directors before the Bank commences business.

We require that, prior to opening, the Bank engage an independent, external auditor to perform audits according to generally accepted auditing standards of sufficient scope to enable the auditor to render an opinion on the financial statements of the Bank (or consolidated entity), taken as a whole. The audit period shall commence on the date the organizing group forms a body corporate and may end on any calendar quarter-end no later than 12 months after the Bank opens. We expect that such audits will be performed on an annual basis for at least three years following commencement of operations. The Bank will also need to have an annual independent fiduciary audit as required in 12 CFR 9.

The OCC has no objection to the following persons serving as executive officers and directors of the Bank:

Joe Mullen	Chairman/CEO/Director
Larry A. Carpenter	President/COO/STO/Director
George S. Weaver	Director
Stuart F. Bloch	Director
Joseph N. Gompers	Director
Marilynn N. Echols	Director
John G. Kramer	Director
John D. Holloway	Director
William O. Nutting	Director

You are reminded that additional executive officers are subject to the prior review and clearance of the OCC. Also, for a period of two years after the Bank has opened for business, the OCC must review and have no objection to any new executive officer or director *prior* to that person assuming such position.

Mr. George S. Weaver, Jr.
1999-NE-01-0030
Page 4

The OCC will send you an appropriate set of OCC handbooks, manuals, issuances, and selected other publications under separate cover.

The bank proposes to open with \$2.5 million in capital. You are reminded that, pursuant to 12 CFR 5.20(I)(5)(iii), this preliminary approval expires if the bank does not raise the capital funds within 12 months from the date of this letter. The preliminary approval also will expire if the bank has not commenced business within 18 months from the date of this letter.

You should direct any questions concerning this preliminary conditional approval to Senior Corporate Analyst Edward Rieder in our Northeastern District Office at (212) 790-4055, or to me at (202) 874-5060.

Sincerely,

-signed-

Stephen A. Lybarger
NBE/Licensing Expert
Bank Organization and Structure

Enclosures:
Standard Requirements
Minimum Policies and Procedures