



Comptroller of the Currency
Administrator of National Banks

Western District Office
1225 17th Street, Suite 300
Denver, Colorado 80202
720-475-7650; Fax: 301-333-7010

August 24, 2005

**Conditional Approval #702
September 2005**

James R. Bracht
Spokesperson
Oakstar Bank, National Association (proposed)
P. O. Box 4367
Springfield, MO 65808

Subject: Oakstar Bank, National Association (proposed)
Springfield, Missouri
Charter - CAIS No. 2005-WE-01-004

Dear Mr. Bracht:

The Office of the Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of Oakstar Bank, National Association (proposed Bank). On August 24, 2005, the OCC granted preliminary conditional approval of your charter application after a determination that your proposal met certain regulatory and policy requirements.

This preliminary conditional approval is granted based on a thorough evaluation of all information available to the OCC, including the representations and commitments made in the application and by the Bank's representatives. We also made our decision to grant preliminary conditional approval with the understanding that the proposed Bank will apply for Federal Reserve membership and will obtain deposit insurance from the Federal Deposit Insurance Corporation (FDIC).

The OCC has granted preliminary conditional approval only. Final approval and authorization for the Bank to open will not be granted until all preopening requirements are met. Until final approval is granted, the OCC has the right to alter, suspend, or revoke this preliminary conditional approval should the OCC deem any interim development to warrant such action.

This preliminary conditional approval is subject to the following condition(s):

The Bank: (i) shall give the OCC's Kansas City – South (Merriam/Joplin) supervisory office at least sixty (60) days prior written notice of the Bank's intent to significantly deviate or change from its business plan or operations¹ and (ii) shall obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to a bank's notice. For the first three years of operation, the Bank also must provide a copy of such written notice to the FDIC's Kansas City Regional Office.

Also, should the bank propose to offer or develop any new electronically-based activities other than what is set forth in the charter application, it should provide the OCC's Kansas City - South Supervisory Office with the above noted notice.

These conditions of approval are 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. As such, the conditions are enforceable under 12 USC 1818.

The Bank's initial paid-in capital, net of all organizational and preopening expenses, shall be no less than \$9,850,000. The manner in which capital is raised must not deviate from that described in the business plan without prior written OCC notification. If the capital for the Bank is not raised within 12 months or if the Bank is not opened for business within 18 months from the preliminary conditional approval date, this approval expires. The OCC is opposed to granting extensions, except under the most extenuating circumstances and when the OCC determines that the delay is beyond the applicant's control. The organizers are expected to proceed diligently, consistent with their application, for the Bank to open for business as soon as possible.

Final approval will not be granted until and unless the Federal Reserve acts favorably on the applications of Oakstar Bancshares, Inc. Springfield, Missouri and Hometown Bancshares, Inc., Carthage, Missouri to acquire, directly or indirectly, the Bank. You must furnish the OCC with a copy of all related filings to the Federal Reserve, including registration material. Send this information to Senior Licensing Analyst Louis Gittleman in our Denver District Office.

Also, prior to granting final approval, the OCC must review and pose no objection to the contracts with affiliated parties. This includes contracts and/or agreements with Hometown Bancshares to provide many operational functions.

The OCC poses no objection to the following person(s) serving as executive officer(s), directors, and/or organizers as proposed in the application:

¹ If such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

<u>Name</u>	<u>Title</u>
Jerald Andrews	Organizer/Director
Rita Baron	Organizer/Director
James R. Bracht	President/Chief Executive Officer
Richard Campbell	Organizer/Director
Lonnie Heckmaster	Organizer/Director
Robert B. Noble	Organizer/Director
William Virdon	Organizer
Jeffrey Williams	Senior Loan Officer
Jacqueline Wills	Chief Financial Officer

Prior to the Bank's opening, the Bank must obtain the OCC's prior written determination of no objection for any additional organizers or executive officers, or directors appointed or elected before the person assumes the position. For a two-year period after the Bank commences business, the Bank must file an Interagency Biographical and Financial Report with the OCC and receive a letter of no objection from the OCC prior to any new executive officer or director assuming such position.

The "Charters" booklet in the *Comptroller's Licensing Manual* provides guidance for organizing your bank. The booklet is located at the OCC's web site: <http://www.occ.treas.gov/corpbook/group4/public/pdf/charters.pdf>. The booklet contains all of the steps you must take to receive your charter.

As detailed in the booklet, you may establish the corporate existence of and begin organizing the Bank as soon as you adopt and forward Articles of Association and the Organization Certificate to Ellen Tanner Shepherd, Director for District Licensing in this office for our review and acceptance. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval. The Bank may not begin the business of banking until it fulfills all requirements for a bank in organization and the OCC grants final approval.

Enclosed are standard requirements and minimum policies and procedures for new national banks. The Bank must meet the standard requirements before it is allowed to commence business and the Board of Directors must ensure that the applicable policies and procedures are established and adopted before the Bank begins operation.

In addition to the standard requirements for all new national banks, the following special requirements must be satisfied prior to the Bank's request for a reopening examination and before the OCC will grant final charter approval:

1) The Bank must submit to the Kansas City - South supervisory office for review, and prior written determination of no supervisory objection, a complete description of the Bank's final information systems and operations architecture as well as the information systems risk assessment and management plan. This should include a schematic drawing and discussion of the following items:

Vendor due diligence and contracts; electronic banking security mechanisms and policies; information systems personnel; internal controls; audit plans; and

operating policies and procedures, including, but not limited to, vendor management, weblinking, customer authentication and verification, and business resumption contingency plans.

2) The Bank must have performed an independent security review and test of its electronic banking platform. The Bank must have this review performed regardless of whether the platform is operated in-house or by one or more third-party service providers. If the Bank outsources the technology platform, it can rely on testing performed for the service provider to the extent that it satisfies the scope and requirements listed herein. The review must be conducted by an objective, qualified independent source (Reviewer). The scope should cover:

- All access points, including the Internet, Intranet, or remote access.
- The adequacy of physical and logical protection against unauthorized access including individual penetration attempts, computer viruses, denial of service, and other forms of electronic access.

By written report, the Reviewer must confirm that the security measures, including the firewall, have been satisfactorily implemented and tested. For additional guidance, refer to "The Internet and the National Bank Charter" booklet of the *Comptroller's Licensing Manual*, pages 37-38, Information System Security. The booklet is located at the Electronic Banking section of the OCC's Web site:

<http://www.occ.treas.gov/corpbook/group4/public/pdf/internetnbc.pdf>.

3) The Bank must have a security program in place that complies with the "Interagency Guidelines Establishing Standards for Safeguarding Customer Information" specified at 12 CFR 30, Appendix B.

Under separate cover, the OCC will send to you an appropriate set of OCC handbooks, manuals, issuances, and selected other publications. This information does not include the Comptroller's Licensing Manual, which is available only in electronic form at our web site: <http://www.occ.treas.gov/corpapps/corpapplic.htm>.

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 (U.S.), any agency or entity of the U.S., or any officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

James R. Bracht
August 24, 2005
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Direct any questions concerning this preliminary conditional approval to Senior Licensing Analyst Louis Gittleman at 720-475-7650.

Sincerely,

signed

Ellen Tanner Shepherd
Director for District Licensing

Enclosures: Standard Requirements
Minimum Policies and Procedures