



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

Southern District Licensing
1600 Lincoln Plaza
500 North Akard
Dallas, Texas 75201-3323

**Conditional Approval #757
October 2006**

September 5, 2006

Christopher Fluehr
Chief Executive Officer
Embassy National Bank (Proposed)
996 Bridgewater Walk
Snellville, Georgia 30078

Re: Charter Application No. 2006-SO-01-0009; Embassy National Bank (Proposed),
Lawrenceville, Georgia, Charter No. 24679

Dear Mr. Fluehr:

The Office of the Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of Embassy National Bank. On September 5, 2006, 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 pre-opening 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:

The Bank: (i) shall give the Atlanta Field 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

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

the first three years of operation, the Bank also must provide a copy of such written notice to the FDIC's Atlanta Regional Office.

This condition of approval is a condition "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. § 1818. As such, this condition is enforceable under 12 U.S.C. § 1818.

The application is also conditionally approved with the following pre-consummation requirement:

The board must hire a qualified person to act as the bank's President prior to the bank's opening.

The Bank's initial paid-in capital, net of all organizational and pre-opening expenses, shall be no less than \$9 million. 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.

The OCC poses no objection to the following persons serving as executive officers, directors, and/or organizers as proposed in the application:

<u>Name</u>	<u>Title</u>
Christopher Fluehr	Chief Executive Officer/Director
Lawrence Johnson	Director
Stephen King	Director
Navin Shah	Director
Nitin Shah	Director
Chittranjan Thakkar	Director
Phillip White	Director

Not all background checks requested by the OCC have been received for Lawrence Johnson, Navin Shah, Chittranjan Thakkar, or Phillip White. Accordingly, their continued service will be dependent on satisfactory completion of the background investigation process. Prior to opening, the Bank must obtain the OCC's prior written determination of no objection for any additional organizers, 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 Licensing Analyst Elizabeth Classey Phan 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 pre-opening examination and before the OCC will grant final charter approval:

1. The Bank must submit to the Atlanta Field 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 *FFIEC IT Examination E-Banking Handbook*, pages 26-30, Information Security Program. The booklet is located at the FFIEC’s Web site:

http://www.ffiec.gov/ffiecinfobase/booklets/e_banking/e_banking.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.
4. Director Navin Shah currently serves as an advisory director of Branch Banking and Trust Company (BB&T) for the Conyers, Georgia market. Mr. Shah qualifies for a small market share exemption under the management official interlocks regulation, 12 CFR 26. The board must document in its minutes its determination of eligibility for the exemption by annually reviewing the FDIC’s Summary of Deposits to ensure that together, BB&T’s and Embassy’s deposit market share do not comprise more than 20% of the Relevant Metropolitan Statistical Area’s (RMSA) deposits. The OCC will confirm eligibility during the supervisory process.

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>.

A separate letter is enclosed requesting your feedback on how we handled your application. We would appreciate your response so we may improve our service. Please direct any questions concerning this preliminary conditional approval to me or Licensing Analyst Elizabeth Classey Phan at (214) 720-7052.

Yours truly,

/s/

Karen H. Bryant
Director for District Licensing

Enclosures: Standard Requirements
Minimum Policies and Procedures
Survey Letter