



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

**Conditional Approval #896
May 2009**

April 7, 2009

Andrew J. Gerlicher
Spokesperson
Crown Point National Bank (in organization)
376 SW Bluff, Suite 7
Bend, OR 97702

Subject: Crown Point National Bank (in organization)
Bend, OR
Charter - CAIS No. 2008-WE-01-006
Branch – CAIS No. 2008-WE-05-089

Dear Mr. Gerlicher:

The Office of the Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of Crown Point National Bank (hereinafter, Bank). The OCC hereby grants preliminary conditional approval of your charter application after a determination that your proposal meets certain regulatory and policy requirements. Your request for a branch located at 200 SW Market Street, Suite 150, Portland, OR 97210 is also conditionally approved. The OCC has determined that the branch approval is consistent with the relevant statutory factors set forth in 12 U.S.C. § 36(c), and state branching law.

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:

The Bank: (i) shall give the OCC's San Francisco 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. This condition shall remain in effect for the Bank's first three years. 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 San Francisco 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 USC 1818. As such, the condition is enforceable under 12 USC 1818.

The Bank's initial paid-in capital, net of all organizational and preopening expenses, shall be no less than \$26,395,000. 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.

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>
Carl E. Berg	Director
Charles D. Brummel	Director, Chairman of the Board
Kyle D. Cummings	Director
Andrew Gerlicher	President, Chief Executive Officer, Director
Robert T. Jett	Director
Michael M. Peters	Director
Blake N. Weber	Director
Gail L. Woodworth	Director

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

Jesse D. Averette
William F. Henle
Donald A. Kalkofen

Chief Credit Officer
Chief Operating Officer
Chief Financial Officer

All background checks requested by the OCC have not been received for Donald Kalkofen. Accordingly, the continued service of Mr. Kalkofen will be dependent on satisfactory completion of the background investigation process.

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. Also, prior to the proposed Senior Vice President – Lending assuming that position in the Bank's Portland office, the Bank must file an Interagency Biographical and Financial Report with the OCC and receive a letter of no objection from the OCC. 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, director or Senior Vice President - Lending of the Portland office assuming such position.

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 preopening examination and before the OCC will grant final charter approval:

1. The Bank must submit to the San Francisco 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 *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. The Bank must submit to the OCC's San Francisco supervisory office for review, and prior written determination of no supervisory objection, all policies related to the Bank Secrecy Act/Anti-Money Laundering/Customer Information Protection.

The OCC had previously reviewed the Bank's Articles of Association and Organization Certificate (see letter dated September 15, 2008) and found them acceptable. You are reminded that as a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval. "In Organization" should follow the bank's name in all official documents, stationery, advertisements, and other references to the bank until it opens for business. 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.

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.

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.

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>.

Crown Point National Bank
CAIS No. 2008-WE-01-006
CAIS No. 2008-WE-05-089

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 does not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. Any material change in the information on which the OCC has relied may result in modification, suspension or rescission of this approval. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

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
Survey