

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Lone Star State Bank of West Texas
(In Organization)
Lubbock, Texas
Application for Federal Deposit Insurance
Bank Insurance Fund

ORDER

The undersigned, acting on behalf of the Board of Directors of the Federal Deposit Insurance Corporation pursuant to delegated authority, has fully considered all available facts and information relevant to the factors of Section 6 of the Federal Deposit Insurance Act and relating to the application for Federal deposit insurance through the Bank Insurance Fund for Lone Star State Bank of West Texas, a proposed new bank to be located at 2599 74th Street Lubbock County, Lubbock, Texas and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED that the application submitted by Lone Star State Bank of West Texas, Lubbock, Texas for Federal deposit insurance be and the same is hereby approved subject to the following conditions:

- (1) That beginning paid-in capital funds of not less than \$21,400,000 be provided, of which not less than \$2,250,000 shall be allocated to common capital and not less than \$19,150,000 to surplus;
- (2) That the Tier 1 capital to assets leverage ratio will be maintained at not less than eight percent throughout the first three years of operation and that an adequate allowance for loan and lease losses will be provided;
- (3) That any changes in proposed management or proposed ownership of 10% or more of stock, including new acquisitions of or subscriptions to 10% or more of the stock be approved by the FDIC prior to opening;
- (4) That an accrual accounting system be adopted for maintaining the bank's books;
- (5) That Federal deposit insurance shall not become effective unless and until the applicant has been granted a charter, has authority to conduct a depository institution business, and its establishment and operation as a depository institution has been fully approved by the appropriate state and/or federal authority;
- (6) That, when deposit insurance is granted to an interim institution formed or organized solely to facilitate a related transaction, deposit insurance will only become effective in conjunction with consummation of the related transaction;
- (7) That a registered or proposed bank holding company, or a registered or proposed thrift holding company, has obtained approval of the Board of Governors of the Federal Reserve System or the Office of Thrift Supervision to acquire voting stock control of the proposed institution prior to its opening;

