

## FEDERAL DEPOSIT INSURANCE CORPORATION

**IN RE:** Charter Alliance Bank (In Organization)  
Corpus Christi, Nueces County, Texas  
Application for Federal Deposit Insurance

### 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 Deposit Insurance Fund for Charter Alliance Bank, a proposed new bank to be located at the 3700 Block of Saratoga Boulevard, Corpus Christi, Nueces County, Texas, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED, for the reasons set forth in the attached Statement, that the application submitted by Charter Alliance Bank, for Federal deposit insurance, be and the same hereby are, approved subject to the following conditions:

- (1) That beginning paid-in capital funds of not less than \$5,000,000 be provided;
- (2) That the Tier 1 capital to assets leverage ratio shall be maintained at not less than 8.00 percent throughout the first three years of operation and that an adequate allowance for loan and lease losses shall be provided;
- (3) That any changes in proposed management or proposed ownership (10 percent or more of stock), including new acquisitions of or subscriptions to 10 percent or more of the stock, shall be approved by the FDIC prior to opening;
- (4) That the Bank shall obtain written approval from the FDIC prior to adding or replacing a member of the Bank's Board of Directors or any senior executive officer during the first three years of operation;
- (5) That an appraisal be obtained supporting the value of the bank premise prior to transferring title to the bank;
- (6) That an accrual accounting system be adopted for maintaining the bank's books;
- (7) That the applicant will have adequate fidelity coverage;
- (8) That the bank obtain an audit of its financial statements by an independent public accountant annually for at least the first three years after deposit insurance coverage is effective, furnish a copy of any reports by the independent auditor

(including any management letters) to the Dallas Regional Office within 15 days after their receipt by the bank, and notify the Regional Office within 15 days when a change in its independent auditor occurs;

- (9) That Federal deposit insurance shall not become effective unless and until the applicant has been established as a State Nonmember Bank, that it has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the Texas Department of Banking;
- (10) That the bank shall operate within the parameters of the business plan submitted to the FDIC. Furthermore, during the first three years of operations, the bank shall notify the Regional Director of any proposed significant deviation or material change from the submitted plan at least 60 days before consummation of the change;
- (11) That until the bank is established, the Corporation shall have the right to alter, suspend, or withdraw the said commitment should any interim development be deemed to warrant such action; and,
- (12) That if deposit insurance has not become effective within twelve months from the date of this ORDER, or unless, in the meantime, a request for an extension of time has been approved by the FDIC, the consent granted shall expire at the end of the said twelve-month period.

Dated at Dallas, Texas, this 14th day of May, 2008.

FEDERAL DEPOSIT INSURANCE CORPORATION

By: \_\_\_\_\_ /s/  
Thomas J. Dujenski  
Regional Director  
DALLAS REGION

**FEDERAL DEPOSIT INSURANCE CORPORATION**

**In Re:** Charter Alliance Bank (In Organization)  
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Application for Federal Deposit Insurance

**STATEMENT**

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act (12 U.S.C. § 1815), an application for Federal deposit insurance has been filed for Charter Alliance Bank, a proposed new state-chartered bank to be located at the 3700 Block of Saratoga Boulevard, Corpus Christi, Nueces County, Texas. The bank will be owned by individuals and 51 percent by Charter Bancshares, Inc., Corpus Christi, Texas.

The Bank intends to focus on traditional banking services with emphasis on personal service. Credit and deposit services will be offered to all customers within its local community. The applicants are cognizant of and intend to fully comply with the Community Reinvestment Act.

For the purposes of this proposal, capital is adequate, projections for future earnings prospects are favorable, management is considered satisfactory, and the investment in fixed assets is reasonable. Corporate powers to be exercised are consistent with the purpose of the Federal Deposit Insurance Act. No formal objections to this proposal have been filed, and no undue risk to the insurance fund is apparent.

Accordingly, based upon careful evaluation of all available facts and information, the Regional Director, acting under delegated authority, has concluded that approval of the application is warranted, subject to certain prudential conditions.

**REGIONAL DIRECTOR  
DALLAS REGIONAL OFFICE  
DIVISION OF SUPERVISION AND CONSUMER PROTECTION  
FEDERAL DEPOSIT INSURANCE CORPORATION**