

In Re: LaGrange Banking Company  
LaGrange, Troup County, Georgia  
Application for Federal Deposit Insurance  
Application for Consent to Establish a Branch Office

ORDER

The undersigned, acting on behalf of the Board of Directors of the FDIC, 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 for LaGrange Banking Company, a proposed new State nonmember bank to be located at 101 Calumet Center Drive, LaGrange, Troup County, Georgia, to open in temporary quarters at 206 W. Haralson Street, LaGrange, Troup County, Georgia, and upon completion of the permanent main office, to designate the W. Haralson Street location as a branch office, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED that the application submitted by LaGrange Banking Company for Federal deposit insurance and for consent to establish a branch be and is approved subject to the following conditions:

- (1) That beginning paid-in capital funds of not less than \$12,500,000 be provided, of which not less than \$6,250,000 shall be allocated to common capital and not less than \$6,250,000 to surplus;
- (2) That the Tier 1 capital to assets leverage ratio (as defined in the appropriate capital regulation and guidance of the institution's primary federal regulator) 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 (10% or more of stock), including new acquisitions of or subscriptions to 10% or more of the stock, shall be approved by the FDIC prior to opening of the bank;
- (4) That full disclosure has been made to all proposed directors and stockholders of the facts concerning any insider transaction, including the identity of the parties to the transaction and the terms and costs involved (an insider is one who is or is proposed to be a director, officer, or incorporator of an applicant, a shareholder who directly or indirectly controls 10 or more percent of any class of the applicant's outstanding voting stock; or the associates or interests of any such person);

- (5) That proposed stock offering materials, stock incentive plans, and employment agreements shall be submitted to the Regional Director for review and approval prior to the bank commencing operations;
- (6) That an accrual accounting system be adopted for maintaining the bank's books;
- (7) That sufficient fidelity coverage on the bank's active officers and employees to conform with generally accepted banking practices be obtained prior to opening for business;
- (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 and submit to the Atlanta Regional Office (i) a copy of the audited financial statements and the independent public auditor's report thereon within 90 days after the end of the bank's fiscal year, (ii) a copy of any other reports by the independent auditor (including any management letters) within 15 days of receipt, and (iii) written notification within 15 days when a change in its independent auditor occurs;
- (9) That the bank shall operate within the parameters of the business plan submitted to the FDIC, and, furthermore, during the first three years of operations, the bank shall notify the Regional Director of the FDIC of any proposed major deviation or material change from the submitted plan 60 days before consummation of the change;
- (10) That Federal deposit insurance shall not become effective unless and until the applicant has been granted a charter as a depository institution, that it has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the Georgia Department of Banking and Finance;
- (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,

