

## FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Kirkwood Bank of Nevada  
Las Vegas, Nevada

Application for Federal Deposit Insurance

### 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 Kirkwood Bank of Nevada, Clark County, Nevada, a proposed new bank to be located at 9436 West Lake Mead Boulevard, Suite 3, Las Vegas, Nevada 89134.

It is hereby ORDERED that the application submitted by Kirkwood Bank of Nevada for Federal deposit insurance be and is approved subject to the following conditions:

- (1) That beginning paid-in capital funds will not be less than \$10,000,000, of which not less than \$100,000 shall be allocated to common capital and not less than \$9,900,000 to surplus;
- (2) That a Tier 1 Leverage Capital Ratio, as defined in Part 325 of the FDIC's Rules and Regulations, of no less than 8 percent be maintained during the bank's first three years of operation, and that an adequate allowance for loan and lease losses 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 the bank;

- (4) That the bank maintain its books on an accrual accounting system;
- (5) That the bank obtain sufficient fidelity bond coverage on its active officers and employees to conform with generally accepted banking practices, prior to opening;
- (6) 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 is effective and submit to the Kansas City Regional Office (i) a copy of the audited annual 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 after their receipt by the bank, and (iii) written notification within 15 days when a change in the bank's independent auditor occurs;
- (7) 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 Nevada Financial Institutions Division;
- (8) That until the bank is established, the FDIC shall have the right to alter, suspend, or withdraw its commitment should any interim development warrant such action;
- (9) That Kirkwood Bancorporation of Nevada, Inc. has obtained approval of the Board of Governors of the Federal Reserve System to acquire voting stock control of the bank, prior to opening;
- (10) That the bank has submitted any proposed contracts, leases or agreements relating to construction or rental of permanent quarters to the Regional Director for review and comment;
- (11) That the bank has fully disclosed to all proposed directors and stockholders any insider transactions, including the identity of the insider(s) and the terms and costs involved. An insider is any proposed director, officer, or incorporator; a shareholder who directly or indirectly controls 10% or more of the bank's outstanding voting stock; or the related interests of any such person;
- (12) 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 major deviation or material change from the submitted plan 60 days before consummation of the change; and,

- (13) 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 twelve-month period.

Dated at Kansas City, Missouri, this 21<sup>st</sup> day of March, 2008.

FEDERAL DEPOSIT INSURANCE CORPORATION  
KANSAS CITY REGION

**Signed by James D. LaPierre**

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James D. LaPierre  
Regional Director

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Kirkwood Bank of Nevada (Proposed)  
Las Vegas, Clark County, Nevada

Application for Federal Deposit Insurance  
(Deposit Insurance Fund)

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 Kirkwood Bank of Nevada, a proposed state nonmember bank, to be located at 9436 West Lake Mead Boulevard, Suite 3, Las Vegas, Nevada 89134.

The bank will be wholly-owned subsidiary of Kirkwood Bancorporation of Nevada, Inc., a one-bank holding company. Initial capitalization of the bank will be at least \$10 million, and total assets are projected to increase to \$60 million by the end of the third year of operation. The bank will engage in traditional banking activities in a competitive market that includes the Las Vegas-Paradise metropolitan area.

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 the 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.

Dated at Kansas City, Missouri, this 21<sup>st</sup> day of March, 2008.

FEDERAL DEPOSIT INSURANCE CORPORATION  
KANSAS CITY REGION

/s/

James D. LaPierre  
Regional Director