



**Comptroller of the Currency
Administrator of National Banks**

Licensing Department
250 E Street, S.W.
Washington, D.C. 20219

**Conditional Approval #959
July 2010**

June 30, 2010

Mr. Douglas M. Kratz
Chairman
Opportunity Bancshares, Inc.
P. O. Box 394
Bettendorf, Iowa 52722-0007

Re: Significant Change in the Business Plan of
Opportunity Bank, National Association, Richardson, Texas
Application Control Number: 2009-WO-12-0305

Dear Mr. Kratz:

This is in response to your letter dated October 22, 2009, submitted to the Office of the Comptroller of Currency (“OCC”) on behalf of Opportunity Bank, National Association, Richardson, Texas (the “Bank”), and other materials submitted to the OCC. The Bank is proposing a significant change in its business plan and requests OCC approval of the proposed change. The OCC hereby grants the request. In determining to grant the Bank’s request, the OCC relied on the information provided by the Bank and its representatives. The OCC decision not to object to the Bank’s request is also subject to the conditions set out herein.

Background

The Bank is a national banking association that was chartered by the OCC and opened for business in 2007, conducting a local community banking business in the area surrounding Richardson, Texas. The Bank is a wholly-owned subsidiary of Opportunity Bancshares, Inc., Bettendorf, Iowa (“Bancshares”), a Texas corporation. The OCC’s 2007 approval of the charter for the Bank included a condition that the Bank give the OCC prior notice of its intent to significantly deviate or change its business plan or operations and obtain the OCC’s written determination of no objection before engaging in a significant deviation or change from its business plan or operations. *See* OCC Conditional Approval No. 795 (March 30, 2007).

Certain of the members of the management and board of Bancshares and the Bank and certain of the shareholders in Bancshares developed a proposal to change the business of the Bank by (i) raising a significant amount of new capital by offering shares in Bancshares to new investors and (ii) using the capital raised to support substantial expansion of the Bank by purchasing assets and assuming liabilities from the Federal Deposit Insurance Corporation (the "FDIC") acting as the receiver of a depository institution.

Bancshares has executed binding commitments with a number of investors ("Investors") to purchase Bancshares' common stock. These commitments may be drawn upon as needed to support acquisitions by the Bank. The Investors include individuals, investment firms, and others.

The Bank's plan to substantially increase its capital and expand through acquisitions of failed institutions constitutes a significant deviation or change from its original business plan under the condition in the OCC's 2007 approval. Accordingly, the Bank notified the OCC and requested approval for the significant deviation.

Discussion

The OCC reviewed the Bank's proposal and materials submitted at various times since the October 22, 2009 letter. The revised business plan involves developing a new, expanded banking operation based on failure acquisitions that likely would be in a market other than Richardson, Texas, while also maintaining the banking operations in Richardson. The OCC reviewed the overall strategic plan for the Bank and the business plan outlining intended product and business lines, branching plans, and financial projections. The plan required raising capital to support the acquisition of failed institutions. The OCC considered the amount and sources of capital that would be available to the Bank, reviewed the proposed shareholders and the respective holdings, and monitored Bancshares' capital-raising process. The Bank's proposed change in business also included the addition of new directors and new management, and the OCC considered the identity, background information, and banking experience of the proposed directors and management team.

The OCC determined not to object to the change in business, subject to the conditions below. The conditions include a requirement that the Bank enter into an Operating Agreement with the OCC. The Operating Agreement will include provisions covering prior OCC review of proposed acquisitions of failed institutions, regular updates to the Bank's business plans, and restrictions on significant deviations from the then-current business plan without prior notice to the OCC and receipt of a separate, written OCC non-objection to the changes.

As noted above, the OCC's decision not to object to the proposed change in business included review of the proposed directors and senior management. In that regard, the OCC poses no objection to the following persons serving as directors and/or senior executive officers:

<u>Name</u>	<u>Title</u>
Perry B. Hansen	Director, Chairman of the Board
Glen C. Terry	Director, President, Chief Executive Officer
Douglas M. Kratz	Director
Bradley Cooper	Director
Greg Share	Director
Sean Armstrong	Director
Jeremy Dickens	Director
Ivan Zinn	Director
Stewart Brown	Director
Maureen Clark	Chief Operating Officer
Michael McCall	Chief Financial Officer
Frank Zbacnik	Chief Credit Officer
Don Pelgrim	Chief Administrative Officer

The Operating Agreement will require the Bank to obtain the OCC's prior written determination of no objection for any additional directors or senior executive officers appointed or elected before the person assumes the position. 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 or director assuming such position.

Conditions

This decision to grant the Bank's request for a significant deviation in its business plan or operations is subject to the following conditions:

- A. The Bank shall enter into, and thereafter implement and adhere to, a written Operating Agreement with the OCC, in a form acceptable to the OCC, within three (3) business days after the date on which the Investors make their first purchase of Bancshares' stock under the first capital call (the "First Closing").
- B. The Bank shall not implement the significant deviation to the Bank's business and operations described in this letter (other than the capital raise in the first capital call and related changes to the Bank's Board of Directors) until the Operating Agreement has been executed.

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These conditions are conditions “imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request” within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

Conclusion

If Bancshares’ first capital call on the Investors has not closed within three (3) months from the date of this letter, this OCC determination not to object to the significant deviation described in this letter expires, unless extended by the OCC.

Any questions concerning this letter should be directed to Senior Licensing Analyst David Reilly at 202-874-5060. You should include the application control number on any correspondence related to this filing.

Sincerely,

Lawrence E. Beard

Lawrence E. Beard
Deputy Comptroller, Licensing