



Comptroller of the Currency
Administrator of National Banks

Midwestern District Office
2345 Grand Boulevard, Suite 700
Kansas City, MO 64108

July 22, 2002

**Conditional Approval #539
August 2002**

Mr. Gordon Ommen
President
Fishback Financial Corporation
2220 Sixth Street
Brookings, South Dakota 57006

Re: Application for Reduction of Permanent Capital
The First National Bank of Luverne, Luverne, Minnesota (Luverne)
CAIS Control Number 2002-MW-12-073

Dear Mr. Ommen:

The Comptroller of the Currency (OCC) has conditionally approved Luverne's application for a Reduction of Permanent Capital. The bank will reduce surplus \$1.0 million through cash contributions to the bank holding company, Fishback Financial Corporation (FFC). This conditional approval is based upon your commitment that FFC will contribute this entire amount to Luverne's affiliate, the First National Bank in Brookings, Brookings, South Dakota.

This conditional approval is subject to the condition that the bank: (i) shall give the OCC's Minneapolis West Field Office at least sixty (60) days' prior written notice of its intent to significantly deviate or change from its business plan or operations and (ii) shall obtain the OCC's written determination of no objection before the bank engages in any significant deviation or change from its business plan or operations.¹ This condition is enforceable under 12 U.S.C. § 1818.

Pursuant to 12 USC 59, a reduction in capital stock requires approval by shareholders owning at least two-thirds of the bank's capital stock and, if necessary, amendments to the Articles of Association.

In proceeding with the change in capital, please refer to the *Comptroller's Corporate Manual*, Capital and Dividends booklet, for complete instructions.

¹ If such deviation or change is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

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Please notify the OCC after you have completed the change and complied with legal requirements. Upon receipt of your notification, OCC will authorize the Reduction in Permanent Capital, provided it is legal.

This approval is granted based on a through review of all information available, including the representations and commitments made in the applications and by the bank's representatives.

The change in capital should be completed within one year of the date of this letter.

This approval and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the U.S., any agency or entity of the U.S., or an officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

A separate letter is enclosed requesting your feedback on how we handled your application. We would appreciate your response.

If you have questions, please contact NBE/Licensing Analyst Lyle G. Swingler at (816) 556-1860.

Sincerely,

-signed-

Stephen A. Lybarger
Acting Licensing Manager