

The statutes governing formation of a state-chartered bank are found in T.C.A. Section 45-2-201 through 45-2-217. Please submit the original and three (3) copies of the information requested throughout this correspondence.

NOTICE OF INTENTION

Prior to filing the application, it will be necessary for you to file a notice of intention (one original and three (3) copies) as required under Section 45-2-202(a), Tennessee Code Annotated. The notice of intention must include the following:

(1) The name, residence and occupation of each incorporator and the amount of stock subscribed and paid for by each.

(2) The name and address of an individual within the state to whom notice to all incorporators may be sent.

(3) The total capital, the number of shares of each class and series, the par value of the shares of each class and series of the corporation and a copy of the shareholder offering circular and subscription agreement for review, before it is finalized and printed.

The Federal Deposit Insurance Corporation has issued a statement of policy which recommends use of an offering circular in connection with the sale of new bank securities which details the information that should be included in an offering circular. We suggest that you refer to this statement of policy and follow its guidelines.

(4) Whether it is intended that the proposed state bank shall have trust powers.

(5) The community in which the proposed state bank is to be headquartered.

(6) The proposed name of the institution which, in the commissioner's judgment, is not likely to cause confusion to the affected public. The incorporators shall use the phrase "in organization" after the proposed bank's name until such time as the certificate of authority has been issued.

(7) A statement of the method of financing and amount of organizational expense fund as required in T.C.A. Section 45-2-203. Your attention is directed to T.C.A. Section 45-2-203 whereby "prior to applying for a Charter, the incorporators shall establish an organizational expense fund in an amount the Commissioner deems adequate . . ." Section 0180-7-.10 Rules of Department of Financial Institutions (copy attached) sets forth the procedure and purpose for establishing this fund. Please confirm that this fund has been established prior to applying for a Charter.

(8) A copy of the escrow agreement.

(9) The filing fee required by the Tennessee Secretary of State (only if the early issuance of the Charter is requested).

The Commissioner shall within ten (10) business days after receipt of the notice of intention notify the incorporators that the notice of intention is approved as to form or call attention to any defects.

The Commissioner and his staff requests a meeting with the organizing group at the time of the delivery of the Notice of Intention or after the Notice of Intention has been accepted as officially filed with the Department.

At the time the Notice of Intention is accepted as officially filed, the incorporators may file a request with the Commissioner for the early issuance of the Charter for a corporation seeking to conduct business in Tennessee. However, the issuance of the charter does not provide authority to the applicant to begin a banking business. The request shall be accompanied by an executed Charter. The incorporators shall submit:

(10) A proposed charter in such form as the Commissioner shall prescribe containing the following information:

- (A) The name of the state bank;
- (B) If the state bank is to exercise trust powers, a statement to that effect;
- (C) The community in which the state bank is to be located;
- (D) The amount of capital, the number of shares of each class and series, the relative preferences, powers and rights of each class and series of the shares, if any, and the amount of the paid-in-surplus; and
- (E) Such other proper provisions to govern the business and affairs of the state bank as may be desired by the incorporators, including, but not limited to, the initial directors of the proposed state bank.

NEW BANK APPLICATION

1) After the Notice of Intention has been accepted for filing, the incorporators may file the application simultaneously with the Federal Deposit Insurance Corporation, Memphis, Tennessee, and this Office. The original and three (3) copies should be forwarded to this Office, together with your check of \$20,000 payable to the Treasurer, State of Tennessee. Should the organizers intend to establish branches the application fee is \$300.00 for each proposed new branch facility, in addition to the \$20,000.

Your attention is directed to Pages i through iii of the application, "General Information and Instructions". These instructions must be followed and the application complete in order for the application to be accepted as "officially filed." Should the application not be filed within six (6) months from the date of acceptance of the Notice of Intention, or an extension granted, we will consider the file closed.

(2) **Financial Statements:** The Department will accept the financial statement(s) required by the Federal Deposit Insurance Corporation, in lieu of our own. Please submit an original and three (3) copies of the financial statement to the Department upon submission of the application.

(3) Please provide a current credit report (original and three (3) copies) for each incorporator, director, and persons owning five percent (5%) or more of stock of the proposed new bank. The credit report must not be more than thirty (30) days old.

(4) A copy of the proposed by-laws;

(5) The name, residence, and occupation of each subscriber from whom subscriptions have been accepted as of the date the application is filed, and the number of shares for which each such subscriber has subscribed, which list shall be updated not less than every thirty (30) business days to add all additional subscribers and any amendments to any such information previously filed;

(6) The past and present connection with any bank, other than as a customer on terms generally available to the public, of each director and each subscriber to more than five percent (5%) of the capital stock, updated as necessary to identify subscribers not previously identified in the application; and

(7) The address at which it is proposed that the state bank do business, or, if such address is not known, the area within the community in which it is proposed that the business be located.

Please note that it is also necessary to complete and return the attached affirmation form to this office before the application may be considered "officially filed." Also, the Stock Ownership form must be completed by each organizer, director or persons owning 10% or more of the stock.

Pursuant to T.C.A. Section 45-2-204(d) and Rule 0180-5 of the Rules of the Department of Financial Institutions, within 3 days, before or after, the date you mail or deliver your application, you are required to publish notice one time in a newspaper of general circulation in the community where you propose to establish your bank. The notice should contain Items A and B of the attached form. However, if the notice is run concurrently with the FDIC notice, and if such notice complies with the requirements of the applicable FDIC Rules and Regulations, then only Item B of the attached form should be included.

Immediately after publication, you should furnish this Office with a clipping of the notice as published in the newspaper with the date of the publication on the clipping.

The applicant will receive notification within twenty (20) business days from the receipt of the application and accompanying documents as to its sufficiency. If the application is deemed sufficient by the Commissioner it shall be accepted for filing.

After the application has been accepted for filing, an on site investigation will be scheduled. In addition, the incorporators may make a written request for the Commissioner to grant the Charter, unless previously granted. However, the issuance of the charter does not provide authority to the applicant to begin a banking business. A Tennessee state-chartered bank is not permitted to begin a banking business until such time as a Certificate of Authority is issued by the Commissioner.

The Department hopes that this information is helpful to you in completing the preliminary steps for filing the Notice of Intention and for completing and submitting the application. We look forward to working with you and the organizers of your proposed new Tennessee state-chartered bank.

AFFIRMATION

Having been duly sworn, I hereby affirm that I have reviewed the information submitted to the Tennessee Department of Financial Institutions relative to _____ and that all of the information contained therein is truthful, complete and accurate.

BY:

Signature: _____ **Printed Name:** _____

Title: _____

Sworn and subscribed before me this _____ day of _____,
_____ Day Month
_____.
Year

Notary Public

My Commission Expires _____,
_____ Day Month Year

**PUBLICATION NOTICE REQUIREMENTS
TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS**

ITEM A

_____ has applied to the Tennessee
name of organizers
Department of Financial Institutions to establish a DeNovo Bank at _____
street address
_____. The proposed name of the
city/state/zip code
institution is _____. The application was submitted
to the Department on _____.
date mailed

ITEM B

- 1) The names of the proposed organizers; and,
- 2) The following statement:

"Any person wishing to comment on or protest this application or any person having information which may have a bearing on the fitness of any of the organizers or proponents of this application, may file comments with the Commissioner of Financial Institutions, Suite 400, Nashville City Center, 511 Union Street, Nashville, Tennessee 37219, or telephone the Department of Financial Institutions at 615/741-5018. Written or telephonic notice must be made to the Commissioner within fifteen (15) days of this publication."
