

OFFICE OF THRIFT SUPERVISION

Approval of Organization and Acquisition
of a Federal Savings Bank

Order No.: 96-106

Date: November 7, 1996

Independent Research Agency for Life Insurance, Inc., Fort Worth, Texas (the "Holding Company"), has applied to the Office of Thrift Supervision ("OTS"), for approval to organize and acquire USPA Federal Savings Bank, Fort Worth, Texas (the "Savings Bank"), a Federal stock savings bank, pursuant to 12 U.S.C. §§ 1464(e) and 1467a(e), and 12 C.F.R. §§ 552.2-1 and 574.3. The Savings Bank will be a member of the Savings Association Insurance Fund.

The OTS has considered the holding company and permission to organize applications under the standards set forth in 12 U.S.C. §§ 1464(e), 1467a(e), and 12 C.F.R. §§ 552.2-1(b) and 574.7, and under the Community Reinvestment Act, 12 U.S.C. §§ 2901 et seq., and the OTS regulations thereunder, 12 C.F.R. Part 563e. In addition, the OTS has considered the digest by the OTS Midwest Regional Office ("Regional Office"), a legal opinion by the Business Transactions Division, and an analysis by Corporate Activities. Based on its review, the OTS has determined that the holding company and permission to organize applications satisfy all applicable statutory and regulatory criteria, provided that the conditions set forth below are satisfied. Accordingly, the holding company and permission to organize applications are hereby approved, subject to the following conditions:

- (1) The Holding Company and the Savings Bank must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals provided to the Regional Office;
- (2) On the business day prior to the date of consummation of the proposed transaction, the Chief Financial Officers of the Holding Company and the Savings Bank shall certify in writing to the Midwest Regional Director that no material adverse changes have occurred with respect to the financial condition or operation of the Holding Company and the Savings Bank, respectively, as disclosed in the applications, including but not limited to directors, shareholders, or the business plan; and provided further, that no additional information having an adverse bearing on any feature of the applications has been brought to the attention of the Holding Company, the Savings Bank or the OTS since the date of the financial statements submitted with the applications;

- (3) The proposed transaction must be consummated within one hundred twenty (120) calendar days from the date of this Order or within such additional period as the Midwest Regional Director, or his designee, may grant;
- (4) The Holding Company and the Savings Bank must advise the Regional Office in writing within 10 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction and of the Savings Bank's insurance of accounts and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the applications and this Order;
- (5) The Savings Bank shall submit independent audit reports to the Regional Office for its first three fiscal years. These reports shall be in compliance with the audit rules set forth at 12 C.F.R. Section 562.4;
- (6) Prior to the Savings Bank's opening day of business, the Holding Company shall receive approval of the Regional Director of background notifications for the two candidates proposed to serve as the Vice President of Operations and Vice President of Lending and for the two outside directors to serve on the board of the Savings Bank;
- (7) Within thirty (30) days of the effective date of the proposed transaction, the officers, organizers and directors must meet with the Midwest Regional Director, or his designee;
- (8) The Savings Bank shall provide for employment of senior executive officers who shall be charged with full administrative and material responsibilities of the institution under policies established by its board of directors. The performance of such individuals will be periodically reviewed and their continued employment will be subject to the approval of the Midwest Regional Director, or his designee, for a period of three years;
- (9) Prior to consummation of the transaction, Freda J. Payne, a controlling shareholder of the Holding Company, shall submit an affidavit stating that she is not acting in concert with Debra S. Payne, and Debra S. Payne shall submit a change of control notice or rebuttal of control submission prior to acquiring any additional shares of the Holding Company's voting stock, or becoming an officer or director of the Holding Company or any affiliate of the Holding Company;
10. The Savings Bank and the Holding Company's subsidiary securities brokerage entity, United Services Planning

Association, Inc., Fort Worth, Texas (the "Broker-Dealer"), must be operated as separate legal entities so that: (a) their respective accounts and records are not intermingled, (b) each observes the procedural formalities of separate legal entities; (c) each is held out to the public as a separate enterprise; and (d) neither dominates the other to the extent that one is treated as a mere department of the other;

11. A majority of the Savings Bank's board of directors must not be comprised of individuals that are directors or employees of any securities affiliate;
12. The Savings Bank and the Broker-Dealer are prohibited from sharing common officers unless prior approval is obtained from the Midwest Regional Director, which shall be based on criteria such as regulatory compliance, experience, character, integrity and the ability to perform both duties;
13. The Savings Bank and the Broker-Dealer must take measures necessary to ensure that their officers and directors adhere to the principles set forth in OTS policy statements on conflicts of interest, 12 C.F.R. § 571.7, usurpation of corporate opportunity, 12 C.F.R. § 571.9, and self-dealing, 12 C.F.R. § 550.10, and any additional or successor statements of policy or regulation addressing these subjects. The officers and directors of the Savings Bank and the Broker-Dealer are prohibited from using their influence to: (1) take advantage of a business opportunity for the securities affiliate's benefit when the opportunity is of present or potential advantage to the Savings Bank; or (2) place the securities affiliate in a position that leads to, or could create the appearance of, a potential conflict of interest; and
14. The Savings Bank, the Holding Company and the Broker-Dealer are subject to the provisions of 12 C.F.R. § 563.76, Offers and Sales of Securities at an Office of a Savings Association, and related policy established in Thrift Bulletins 23-2, Interagency Statement on retail Sales of Nondeposit Investment Products, and 23a, Limited Exceptions to Prohibitions on Sales of Savings Institution's Securities, and any additional or successor statements of policy or regulations addressing these subjects.

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By order of the Director of the Office of Thrift Supervision,
or his designee, effective November 7, 1996.


John F. Downey
Executive Director, Supervision