

OFFICE OF THRIFT SUPERVISION

APPROVAL OF APPLICATIONS FOR PERMISSION TO ORGANIZE A FEDERAL SAVINGS BANK, HOLDING COMPANY ACQUISITION, REBUTTAL OF CONCERTED ACTION, AND MANAGEMENT OFFICIAL INTERLOCKS EXEMPTION

Order No.: 2000-33

Date: March 28, 2000

Kansas City Life Insurance Company, Kansas City, Missouri (Applicant), Joseph R. Bixby Revocable Trust, Margie Morris Bixby Revocable Trust, Nancy Bixby Hudson Issue Trust, Lee M. Vogel Issue Trust, Nancy Bixby Hudson GST Trust, JRB Interests, LTD., Walter E. Bixby Descendants Trust, Walter E. Bixby Revocable Trust, Robert Philip Bixby Issue Trust, Angeline I. O'Connor Issue Trust, Walter E. Bixby, III Issue Trust, Robert Philip Bixby GST Trust, Angeline I. O'Connor GST Trust, Walter E. Bixby, III GST Trust and WEB Interests, LTD. (Control Group) (collectively, the Applicants) have applied to the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. §§ 1464(e) and 1467a(e) and 12 C.F.R. §§ 552.2-1 and 574.3 for permission to organize and acquire Generations Bank, Kansas City, Missouri (Savings Bank). In addition, the Applicants, on behalf of Kathryn A. Bixby-Haddad, have filed, pursuant to 12 C.F.R. § 574.4(e), a rebuttal of concerted action submission to rebut acting in concert between Kathryn A. Bixby-Haddad and members of the Control Group. Finally, the Savings Bank has filed an application for a three-year exemption from the management official interlocks prohibitions in 12 U.S.C. § 3202(2) and 12 C.F.R. § 563f.3 for R. Philip Bixby, President, Chief Executive Officer and Director of the Applicant, proposed director of the Savings Bank, and advisory director of United Missouri Bank, N.A., Kansas City, Missouri (Bank), pursuant to 12 C.F.R. § 563f.6. (The foregoing are collectively referred to as the Applications.)

The OTS has considered the Applications under the factors set forth in 12 U.S.C. §§ 1464(e) and 1467a(e), and 12 C.F.R. §§ 543.3, 552.2-1, 563f.6, 574.4 and 574.7 and other applicable statutes and regulations. The OTS also has considered the Applications under the Community Reinvestment Act, 12 U.S.C. § 2901 *et seq.*, and the OTS regulations thereunder, 12 C.F.R. Part 563e. The OTS has considered an analysis prepared by the OTS Midwest Regional Office, a legal opinion by the Business Transactions Division, and an analysis prepared by the Office of Examination and Supervision (collectively the Staff Memoranda). For the reasons set forth in the Staff Memoranda, the OTS finds that the Applications satisfy all applicable statutory and regulatory criteria provided that the following conditions are complied with in a manner satisfactory to the Midwest Regional Director, or his designee (Regional Director). Accordingly, the Applications are hereby approved, subject to the following conditions:

1. The Applicants, the Control Group and the Savings Bank must receive all required regulatory approvals for the proposed transaction and submit copies of all such approvals to the Regional Director prior to consummation of the proposed transaction;

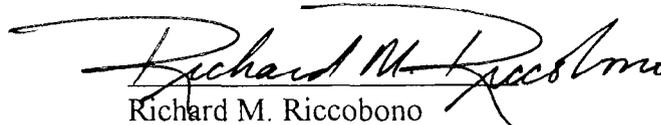
2. The proposed transaction must be consummated within one hundred and twenty (120) calendar days from the date of this Order;
3. On the business day prior to the date of consummation of the proposed transaction, the chief financial officers of the Applicant and the Savings Bank must certify in writing to the Regional Director that no material adverse events or material adverse changes have occurred with respect to the financial condition or operation of the Applicant and the Savings Bank as disclosed in the Applications. If additional information having an adverse bearing on any feature of the Applications is brought to the attention of the Applicant, the Savings Bank, or the OTS since the date of the financial statements submitted with the Applications, the transaction must not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-objection to consummation of the transaction;
4. The Applicant and the Savings Bank must advise the Regional Director in writing within 5 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction; and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the Applications, and this Order;
5. The Savings Bank must submit annual independent audit reports to the Regional Director for its first three fiscal years. These reports must be in compliance with the audit rules set forth at 12 C.F.R. § 562.4;
6. The Savings Bank must operate within the parameters of its business plan. The Applicant and the Savings Bank must submit any proposed major deviations or material changes from the plan (including changes resulting from decisions made by the Applicant), and in particular, but not limited to, those pertaining to cross-marketing of products of the Savings Bank and its affiliates, for the prior, written non-objection of the Regional Director. The request for change must be submitted a minimum of 30 calendar days before the proposed change is implemented with a copy sent to the FDIC Regional Office;
7. At least 40 percent of the Savings Bank's board of directors must be individuals who are not officers or employees of the Applicant, or affiliates thereof, and are not members of the Control Group, or have not otherwise been determined by the Regional Director to lack sufficient independence, and at least one member of the Savings Bank's board of directors must be an individual who is not an officer, director or employee of the Applicant or any affiliate, not a member of the Control Group, and who is not an officer or employee of the Savings Bank or has not otherwise been determined by the Regional Director to lack sufficient independence. At least 50 percent of any audit and investment committee established by the Savings Bank must be directors who are not officers or employees of the Savings Bank, the Applicant or any affiliates and are not members of the Control Group, or have not otherwise been determined by the Regional Director to lack sufficient independence. If compliance with this condition involves the selection of additional directors, each director must receive the prior written approval of the Regional Director;

8. The Applicant, its affiliates and the Savings Bank must comply with the anti-tying restrictions of 12 U.S.C. §§ 1464(q) and 1467a(n) and must develop written procedures to effect such compliance. The procedures must disclose any proposed bundling arrangements and must be submitted for the review and non-objection of the Regional Director prior to the opening of the Savings Bank for business;
9. For the first eighteen months of operation, any contracts or agreements pertaining to transactions with affiliates, not yet submitted to the OTS for review, must be provided to the Regional Director at least 30 days prior to execution and must receive his written non-objection prior to implementation;
10. Any affiliate of the Savings Bank that engages in broker, dealer, investment company, or investment advisor activities (Securities Affiliate(s)) must be operated as a separate legal entity from the Savings Bank so that: (a) their respective accounts and records are not intermingled; (b) each observes the procedural formalities of separate legal titles; (c) each is held out to the public as a separate enterprise; and (d) none dominates another 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 individuals who are officers, directors or employees of any Securities Affiliate;
12. The Savings Bank and any Securities Affiliate are prohibited from sharing common officers, unless prior approval is obtained from the 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, the Applicant, and the Securities Affiliates must take measures necessary to ensure that their officers and directors adhere to the principles set forth in OTS regulations on conflicts of interest, 12 C.F.R. § 563.200; corporate opportunity, 12 C.F.R. § 563.201; trust fiduciary duties, 12 C.F.R. § 550.140; and any other additional or successor statements of policy or regulations addressing these subjects. The officers and directors of the Savings Bank and the Securities Affiliates are prohibited from using their influence to: (a) take advantage of a business opportunity for the Securities Affiliates' benefit when the opportunity is of present or potential advantage to the Savings Bank; or (b) place the Securities Affiliates in a position that leads to, or could create the appearance of, a potential conflict of interest;
14. The Savings Bank, the Applicant and the Securities Affiliate are subject to the provisions of 12 C.F.R. § 563.76, *Offers and Sales of Securities at an Office of Savings Association*, and related policy established in OTS 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;

15. At least 45 days prior to commencing operations, the Savings Bank must submit to the Regional Director for his review, a plan that includes, at a minimum, the following components:
- a) a comprehensive compliance management plan that describes an ongoing system for assuring compliance with Federal fair lending and consumer protection statutes and regulations, procedures that will be implemented to train and oversee all persons who offer or process Savings Bank products; and that addresses the handling of consumer inquiries or complaints concerning transactions involving the Savings Bank's employees, agents or other affiliates;
 - b) comprehensive, non-discriminatory underwriting policies and procedures, including pricing standards, for consumer loans, credit cards, mortgages, small business loans, commercial loans, and any other credit products offered; and
 - c) written assurance that compliance with the Real Estate Settlement Procedures Act will be monitored on an ongoing basis;
17. Ms. Kathryn A. Bixby-Haddad must submit the appropriate background information, and receive the written non-objection of the Regional Director, if there are any material changes to the facts and circumstances detailed in the rebuttal of concerted action filing received on January 11, 2000.

Any time period set forth herein may be extended for up to 120 calendar days, for good cause, by the Regional Director.

By order of the Director of the Office of Thrift Supervision, or her designee, effective
MARCH 28th, 2000.


Richard M. Riccobono
Deputy Director
Office of Thrift Supervision