

OFFICE OF THRIFT SUPERVISION

APPROVAL OF A REQUEST FOR A WAIVER OF 12 C.F.R. § 563.33

Order No.: 2003-11
Date: March 28, 2003
Docket No.: 14979

Frontier Bank, FSB, Park City, Utah (Savings Bank), has applied, pursuant to 12 C.F.R. § 500.30, for a waiver of 12 C.F.R. § 563.33(a)(1)(ii), which prohibits more than two members of the same immediate family from serving as directors of a savings association. The Savings Bank seeks a waiver to allow concurrent service on its board of directors by Messrs. James F. Montgomery and Andrew S. Montgomery, and Ms. Diane Montgomery, who are immediate family members, as defined by 12 C.F.R. § 561.24.

Currently, Mr. James F. Montgomery and Ms. Diane Montgomery sit on the Savings Bank's board of directors. The waiver of § 563.33(a)(1)(ii) has been requested to allow Mr. Andrew S. Montgomery, who was appointed Chief Executive Officer of the Savings Bank, effective January 1, 2003, to become a director of the Savings Bank. The Savings Bank is currently in the process of expanding its board of directors from seven to ten members so that the board will include three members of the Montgomery family, one unrelated officer of the Savings Bank, and six outside directors.

Section 500.30 provides that the Office of Thrift Supervision (OTS) may, for good cause and to the extent permitted by statute, waive the applicability of any provision of OTS regulation. OTS has considered the application, and has determined that approval of the application would not be inconsistent with any statute. Good cause exists to waive § 563.33(a)(1)(ii) to permit the concurrent service of the three immediate family members, as proposed in the application, because of the circumstances present in this case, which include: (i) Andrew S. Montgomery is currently serving as the Savings Bank's CEO; and (ii) the independent views represented by the six outside board members on what will be the Savings Bank's ten-member board. Accordingly, the application is hereby approved.

By order of the Director of the Office of Thrift Supervision, or her designee, effective
March 28, 2003.



Scott M. Albinson
Managing Director
Office of Supervision