



**Conditional Approval #1132  
September 2015**

August 28, 2015

Mr. Kent Wiechert  
President  
Weststar Mortgage Corporation  
2155 Louisiana Boulevard, Suite 8000  
Albuquerque, New Mexico 87110

Subject: Change of Bank Control Act Notice by Kent Wiechert to Acquire  
Goldwater Bank, National Association, Scottsdale, Arizona  
OCC Control No: 2014-HQ-140284      OCC Charter No: 24671

Dear Mr. Wiechert:

The Office of the Comptroller of the Currency (OCC) has reviewed and evaluated the Notice of Change in Bank Control (Notice) you filed to acquire control of Goldwater Bank, National Association, Scottsdale, Arizona (Bank). Based upon a thorough review of all information available, including representations and commitments made by you, by your representatives, and by the Bank's representatives made in connection with this Notice and in consideration of the relevant regulatory factors, the OCC hereby determines that the Notice is technically complete and does not disapprove the change in control. This non-disapproval is subject to the condition set out below.

**Background and Transaction Steps**

You are the president and sole owner of Weststar Mortgage Corporation (Weststar), which is located in Albuquerque, New Mexico. Weststar, founded in 1983, originates residential one- to four-family mortgages in several Western states. Weststar is an active Ginnie Mae issuer of Title II mortgage-backed securities and an issuer and servicer of FHA Title I securities. Weststar's servicing portfolio currently consists of Ginnie Mae securities and Fannie Mae securities.

On October 23, 2014, you filed the Notice, which seeks to acquire control of the Bank and assign to the Bank certain Weststar loan origination personnel, leases for loan production offices, and transferring escrow accounts associated with the Weststar loan servicing. The loans originated by the Bank would be sold to Weststar (without recourse and with servicing released), thereby intending to provide a profitable mortgage banking operation to the Bank.

You propose to recapitalize the Bank through a series of transactions, beginning by purchasing existing, but unissued, Bank common stock. After this transaction, you will own approximately 78 percent of the Bank's outstanding common stock. You propose to obtain additional ownership in the Bank by purchasing a significant portion of the Bank's additional, newly authorized common stock, resulting in your owning approximately 98.9 percent of the outstanding common stock. You propose to convert your shares of the Series C Preferred Stock to common stock (resulting in ownership of 99.6 percent of the outstanding common stock) such that common equity qualifying as Tier 1 capital will increase by approximately \$3 million. The Notice proposes to use a portion of the proceeds of the common stock sale to redeem the outstanding Series A and Series B Preferred Stock.

### **Processing of the Change in Bank Control Notice**

The OCC processes change in control notices in accordance with the requirements set forth in 12 U.S.C. § 1817(j)(7) and 12 C.F.R. § 5.50(f)(5). The OCC may disapprove a notice if the OCC finds that: (1) the proposed acquisition of control would result in a monopoly or would further any monopoly or conspiracy to monopolize the business of banking anywhere in the United States; (2) the effect of the proposed acquisition may substantially lessen competition or tend to create a monopoly or in any other manner restrain trade and the anticompetitive effects are not clearly outweighed by benefits to the convenience and needs of the community to be served; (3) either the financial condition of any acquiring party or the future prospects of the bank is such as might jeopardize the stability of the bank or prejudice the interests of its depositors; (4) the competence, experience, or integrity of the acquiring party or of any of the proposed management indicate that it would not be in the interests of the depositors and the public for such persons to control the bank; (5) the acquiring party does not provide the OCC with all required information; or (6) the proposal would result in an adverse effect on the Deposit Insurance Fund. After carefully considering the facts presented in the Notice and the representations made in connection with the Notice, the OCC does not find a basis to disapprove the Notice. Further, the OCC is imposing the below condition.

### **Condition**

The OCC's non-disapproval is subject to the following condition:

No later than five (5) business days after the date of this non-disapproval, you shall cause the Bank to enter into a written Operating Agreement with the OCC on terms and conditions acceptable to the OCC. The Bank shall thereafter implement and adhere to the terms of the Operating Agreement.

The condition of this non-disapproval is a condition "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 U.S.C. § 1818. As such, the condition is enforceable under 12 U.S.C. § 1818.

### **Conclusion**

The transaction must be consummated within six months of the date of this letter. Failure to consummate the transaction within six months, or an approved extended time period granted by the OCC, will cause our non-disapproval to lapse and you will be required to file a new notice if you wish to proceed with the change in bank control.

The date of consummation of this change in control must be provided to the Licensing Division, Chief Counsel's Office, within 10 days after consummation. The transaction must be consummated as proposed in the Notice. If any of the terms, conditions, representations, commitments, or parties to the transaction described in the Notice change, the OCC must be informed in writing of the change prior to consummation to determine if any additional action or reconsideration is required. In such situations, the OCC reserves the right to require submission of an amended or new Notice of Change in Bank Control.

This decision 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 United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our decision is based on your, your representatives, and the Bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this decision if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have any questions, contact Crystal Maddox at (202) 649-6260 or email at [crystal.maddox@occ.treas.gov](mailto:crystal.maddox@occ.treas.gov).

Sincerely,

*Stephen A. Lybarger*

Stephen A. Lybarger  
Deputy Comptroller for Licensing