

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS

**CONVERSION OF A NATIONAL BANKING ASSOCIATION
TO A MINNESOTA STATE-CHARTERED BANK**

Here is the application for conversion from a national to state bank charter. The primary statutes governing this transaction are Minnesota Statutes, Sections 49.44 and 46.041. Minnesota Statutes, Section 47.11 requires prior approval of any change in bank name. A letter requesting approval of the name should be submitted prior to filing the charter application. The conversion process consists of three parts detailed on the attached forms. If an interested party should request a copy of the application, the Applicant will be asked to provide it.

If the bank is going to remain a member of the Federal Reserve System, please contact the Federal Reserve Bank of Minneapolis (612-204-5000) for an application for membership. Current membership will end on the date of conversion.

A national bank may convert to a state-chartered bank without prior Office of the Comptroller of the Currency (OCC) approval. You must notify the OCC of your intent at the time you file your conversion application with our office. The OCC will provide information to you on how to terminate the bank's national bank status.

If the applicant would prefer receiving this document in Microsoft Word format, please e-mail your request to financial.commerce@state.mn.us and indicate which document you need. Please do not make any formatting changes or content modifications.

Applications should be sent to: Deputy Commissioner, Department of Commerce, Division of Financial Institutions, 85 7th Place East, Suite 500, St. Paul, Minnesota 55101-2198. For further information on the application process, please contact the Applications Staff at (651) 297-4867.

CONVERSION OF A NATIONAL BANKING ASSOCIATION TO A MINNESOTA STATE-CHARTERED BANK STEPS

PART I

Applicant provides materials listed below to the Department of Commerce (**one original and one complete copy**):

1. Bank conversion application form, signed by directors.
2. Please enclose:
 - a check for \$2,000 payable to the “**Department of Commerce**” if the proposed bank is being organized in connection with a reorganization or merger of an existing bank (and \$500 for each banking office which will become a detached facility of the reorganized bank); or
 - a letter requesting (include justification) that the commissioner waive the fee if the bank is to be located in a low- or moderate-income area as defined in Code of Federal Regulations, title 12, part 25(1), (n)(1) and (n)(2) and where no other depository institution operates an office.
3. Certificates by president and cashier/operations vice president of corporate action, including these resolutions:
 - a. Certified board resolution approving conversion and application for a state charter.
 - b. Certified board resolution granting the Department of Commerce access to the most recent examination reports by the Comptroller of the Currency. The reports would include those on safety and soundness, electronic data processing, community reinvestment act, and compliance along with copies of any administrative agreements or enforcement orders to which the bank is subject.
 - c. Certified board resolution from the holding company (if there is one) granting the Department of Commerce access to the most recent holding company inspection report by the Federal Reserve Bank.
 - d. Certified board resolution permitting an examination of the bank by the Department of Commerce and agreeing to pay all costs of the examination. These costs are in addition to the fees described above.
 - e. Certified shareholder resolution approving conversion and application for a state charter.
4. Narrative description of plan of conversion including changes in the bank’s capital structure including the number of shares and par value. In addition, please indicate the range of the number of directors and the date for the annual shareholders’ meeting. There must be at least five directors.
5. Copy of the declarations page of current workers’ compensation insurance coverage.
6. One original, current biographical and financial report on directors (not including advisory directors) and executive officers of the bank. Executive officers include the chairperson, president, and other senior officers designated with titles such as chief executive officer, chief financial officer, or chief lending officer. This application includes one original report. Make as many copies as you need for your directors and officers.
7. Most recent audited financial statements (if any).
8. Certified current daily statement, a copy of the bank’s Call Report for the most recent quarter (report of condition and report of income), and a copy of the bank’s Uniform Bank Performance Report (UBPR). The UBPR is available at <http://www.fdic.gov/bank/individual/index.html>

THIS ENTIRE APPLICATION AND CORRESPONDENCE PERTAINING TO IT WILL BE A PUBLIC RECORD AT THE DEPARTMENT OF COMMERCE. The application file will be public, with the exception of financial data on individuals which is private under the Minnesota Government Data Practices Act and data defined as trade secret information under Minnesota Statutes, Section 13.37, Subdivision 1, paragraph (b), which would be given nonpublic classification upon written request by the applicant.

Any information deemed nonpublic by the applicant should be so labeled and submitted under separate cover. The decision as to whether any given data is public or nonpublic will be made by the Department of Commerce.

PART II

The Department reviews the submitted items. Upon approval, Applicant will receive an Approval Order. The Department will also furnish incorporation documents.

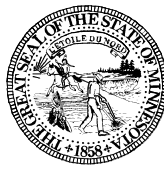
Applicant submits the following:

1. **Two original** certificates of incorporation signed by incorporators, witnesses, and notary.
2. Certificate identifying capital signed by president and cashier/operations vice president.

The certificates of incorporation will need to be filed with the Commissioner of Commerce prior to the date of conversion. Upon the certificates of incorporation being filed, the Department of Commerce will issue: the new bank charter, department bulletin, and transmittal letter.

PART III

After the conversion date, at the first meeting of the board of directors, new Bylaws will be accepted and the oath of director signed by each director. Sample Bylaws will be provided. These forms are submitted to the Department of Commerce along with a copy of the bank's daily statement for the day following the date of conversion.

STATE OF MINNESOTA  Department of Commerce	Commissioner of Commerce State of Minnesota Department of Commerce Division of Financial Institutions 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 297-4867	OFFICE USE ONLY Deputy _____ Asst. _____ Director _____ Review _____ Data Entry _____ Conversion-N	CASHIER USE ONLY
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APPLICATION TO CONVERT TO A MINNESOTA STATE BANK CHARTER

- Commercial Banking
 Trust Powers

Will the bank remain a Federal Reserve Member?
 Yes No

Current Bank Name		Date of Application
Proposed Bank Name		
Street Address		City
County	State Minnesota	Zip Code
Bank representative responsible for responding to questions relating to this application.		
Name	Title	Telephone Number ()
Address	Fax Number ()	
E-mail Address		

APPLICANT BANK DIRECTORS AND EXECUTIVE OFFICERS*

Typed Name, Place of Residence, and Signature	Typed Name, Place of Residence, and Signature

* Executive officers who are not directors do not need to provide place of residence.

** A majority of the directors are required to file the corporate documents. To expedite the process, it is more efficient if there are the minimum number of Incorporators and those Incorporators are readily available for signature. Please indicate whom of the above directors will serve as incorporators. _____

Provide the likely effective date of the proposed transaction. _____

CONVERTING NATIONAL BANK LIST OF DETACHED FACILITIES,
TRUST SERVICE OFFICES, LOAN PRODUCTION OFFICES, ETC.

1. Detached facility(ies) located at:

Street address	City or Town	County	State	Zip Code
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2. Trust Service Office(s) located at:

Street address	City or Town	County	State	Zip Code
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3. Loan Production Office(s) located at:

Street address	City or Town	County	State	Zip Code
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4. Subsidiary(ies) located at: _____
Name of Subsidiary

Street address	City or Town	County	State	Zip Code
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5. Clerical Service Corporation located at: _____
Name of Clerical Service Corporation

Street address	City or Town	County	State	Zip Code
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6. Any other operating location (1,500 foot walk-up, etc.) at: _____
Name of Other Operating Location

Street address	City or Town	County	State	Zip Code
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7. Have any applications been approved by the federal regulator but unopened? Please list and provide a copy of the approval from the federal regulator.

8. Will any locations listed above be closed/discontinued at the time of conversion? Yes No
If yes, please list and describe reason for closure.

Signature of President

Date

Signature of Cashier/Operations Vice President

Date

SAMPLE
CORPORATE RESOLUTION
BANK

The following is a true and exact copy of the resolution adopted at the Board of Directors Meeting held [long date]:

“BE IT RESOLVED, that the directors of [present bank name] of [city], Minnesota on a motion by [name of person1], seconded by [name of person2] and carried, authorized the conversion of the bank from a national banking association to a Minnesota state chartered bank and authorized management to make the application for the conversion of the bank from a national banking association to a Minnesota state chartered bank under the name [new bank name].”

IN WITNESS WHEREOF, I [name of board secretary], have hereunto affixed my name as board secretary.

[name of board secretary]

Date

SAMPLE
CORPORATE RESOLUTION
BANK

The following is a true and exact copy of the resolution adopted at the Board of Directors Meeting held [long date]:

“BE IT RESOLVED, that the directors of [present bank name] of [city], Minnesota on a motion by [name of person1], seconded by [name of person2] and carried, approved granting the Department of Commerce access to the most recent examination reports by the Comptroller of the Currency. The reports would include those on safety and soundness, electronic data processing, community reinvestment act, and compliance along with copies of any administrative agreements or enforcement orders to which the bank is subject.”

IN WITNESS WHEREOF, I [name of board secretary], have hereunto affixed my name as board secretary.

[name of board secretary]

Date

SAMPLE
HOLDING COMPANY RESOLUTION

The following is a true and exact copy of the resolution adopted at the Board of Directors Meeting held [long date]:

“BE IT RESOLVED, that the directors of [holding company name] of [city], Minnesota on a motion by [name of person1], seconded by [name of person2] and carried, approved granting the Department of Commerce access to the most recent holding company inspection report by the Federal Reserve Bank.”

IN WITNESS WHEREOF, I [name of board secretary], have hereunto affixed my name as board secretary.

[name of board secretary]

Date

SAMPLE
CORPORATE RESOLUTION
BANK

The following is a true and exact copy of the resolution adopted at the Board of Directors Meeting held [long date]:

“BE IT RESOLVED, that the directors of [present bank name] of [city], Minnesota on a motion by [name of person1], seconded by [name of person2] and carried, approved permitting an examination of the bank by the Department of Commerce and agreeing to pay all costs of the examination.”

IN WITNESS WHEREOF, I [name of board secretary], have hereunto affixed my name as board secretary.

[name of board secretary]

Date

SAMPLE
CORPORATE SHAREHOLDER RESOLUTION

The following is a true and exact copy of the resolution adopted at the Shareholder Meeting held [long date]:

“BE IT RESOLVED, that the shareholder(s) of [present bank name] of [city], Minnesota on a motion by [name of person1], seconded by [name of person2] and carried, authorized management to make the conversion from national banking association to a Minnesota state chartered bank under the name [new bank name] and file for application.”

IN WITNESS WHEREOF, I [name of board secretary], have hereunto affixed my name as board secretary.

[name of board secretary]

Date

BIOGRAPHICAL AND FINANCIAL REPORT GENERAL INFORMATION AND INSTRUCTIONS

This *Biographical and Financial Report* (report) is used by **individuals** in conjunction with an application for the conversion of a bank from a national banking association to a Minnesota state chartered bank. This report is *not* a stand-alone document.

Preparation

All questions must be answered with complete and accurate information that is subject to verification. If the answer is “none”, “not applicable”, or “unknown”, so state. Answers of “unknown” or “yes” should be explained.

Financial statements from individuals must have “as of” dates of not more than 90 days prior to the date the financial report is submitted. All amounts in this report must be based on current market value in the United States dollars. In addition, the regulatory agency specifically reserves the right to require up to five years of financial data from any individual person as well as the filing of additional information and/or statements, such as a federal income tax return or a current appraisal to support an asset’s value.

If you have been convicted of any criminal offense involving dishonesty, breach of trust, or money laundering, or have agreed to enter into a pretrial diversion or similar program in connection with a prosecution of such offense (12 U.S.C. § 1829), you must obtain approval from the FDIC before you can own, control, participate in the affairs of, or become an institution-affiliated party of a depository institution.

Definitions

For purposes of this document:

Affiliate means any company that owns or controls, is owned or controlled by, or is under common ownership or control with a depository institution or depository institution holding company.

Associated means associated as an officer, director, organizer, partner, trustee, or principal shareholder or owner.

Company means any corporation, association, partnership, limited liability company, business trust, sole proprietorship, joint venture, or other similar organization.

Depository institution means any bank (including a national, state, district, or foreign bank), savings association, savings bank, savings and loan association, building and loan association, homestead association, cooperative bank, trust company, industrial bank or loan company, or credit union. A United States office, including a branch or agency, of a foreign bank is a depository institution.

Management official includes a senior executive officer; director; advisory or honorary director of a depository institution with total assets of \$100 million or more; branch manager; trustee of a depository organization under the control of trustees; and any person who has a representative or nominee serving in any of those capacities.

Principal shareholder or owner means a person who directly or indirectly owns, controls, or holds (either individually or as a member of a group) the power to vote 10 percent or more of any class of voting securities or other voting equity interest of the entity.

Confidentially

Every individual is required to file two (2) copies of this form. One for the public file and that copy should not list the social security number or date of birth and not include the financial statement. A complete form will be provided for the confidential file and needs to include these items.

BIOGRAPHICAL AND FINANCIAL REPORT

This is filed with respect to:

Name of Subject Institution, Location

Type of Filing	Position	
<input type="checkbox"/> Charter Conversion	<input type="checkbox"/> Director	<input type="checkbox"/> Senior Executive Officer
	<input type="checkbox"/> Title: _____	<input type="checkbox"/> Principal Shareholder
	<input type="checkbox"/> Trustee	<input type="checkbox"/> Manager
	<input type="checkbox"/> Other: _____	

BIOGRAPHICAL REPORT

1. Personal Information

(a) Name _____
Last First (Middle-no initials)

(b) Residence _____
(Street Address)

(City) (State) (Zip Code) (Country)

(c) If at residence less than five years, list addresses and dates occupied for past five years.

<u>Date From</u>	<u>Date To</u>	<u>Number and Street</u>	<u>State</u>	<u>ZIP Code</u>	<u>Country</u>
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(d) Date of Birth: Month: _____ Day: _____ Year: _____

(e) Place of Birth: _____
(City) (State) (Country)

(f) United States Social Security Number: _____

(g) Citizenship _____
(Country) (Date, if Naturalized)

Individual's Name: _____

(h) If not a United States citizen, provide:

Passport Number: _____

Home Country Identification Number: _____

Immigration File Number: _____

Father's full name _____

Mother's full name, including maiden name _____

(i) Telephone and fax numbers where you may be reached during business hours and an e-mail address:

(Area Code, Telephone Number, including Country Code if outside U.S.)

(_____)

(Fax Number)

E-mail Address

(j) List other names you used and the period of time you used them (for example, your maiden name, name by a former marriage, former name, alias, or nickname). If the other name is your maiden name, put "nee" in front of it.

2. Employment Record

(a) List employment in reverse chronological order for the last five years. The list should include the beginning and ending dates of employment, the employer's name and location (city, state), nature of business, title or position, nature of duties, and reason for leaving.

(b) Have you ever been dismissed or asked to resign from any past employment, including a less than honorable discharge from military service? Yes No

If "yes", provide the employer's name, address, and telephone number; title or position; date of discharge; and explanation.

Individual's Name: _____

3. Education and Professional Credentials

- (a) List each diploma or degree from high schools, colleges, universities, or other schools.

<u>School's Name/Location</u>	<u>From</u>	<u>To</u>	<u>Degree</u>
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- (b) List each professional license or similar certificate you now hold or have held (for example, Attorney, Physician, CPA, NASD, or SEC registration).

<u>License</u>	<u>Issuing Authority</u>	<u>Date Issued</u>	<u>Status</u>	<u>Expiration</u>
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4. Business and Banking Affiliations

- (a) List any company with which you are associated, providing the company name, location, nature or type of business, position held or relationship to the company, ownership percentage, and beginning date of the relationship.

- (b) List the name of any depository institution or depository institution holding company with which you are or were associated. Also, list the location, nature of banking activity, position held or relationship, ownership percentage, and beginning and ending dates of the relationship.

Individual's Name: _____

- (c) Are you in the process of being considered for a senior executive officer or director position at another depository institution or depository institution holding company? Yes No

If "yes", provide the name of the depository institution or depository institution holding company and the position. If the application has been submitted for regulatory review, provide the name of the regulatory agency.

- (d) Are you now or are you proposed to be a "management official" of another insured depository institution or depository institution holding company? Yes No

If "yes", explain either why the potential interlock is not a violation of the Depository Institution Management Interlocks Act (12 U.S.C. §§ 3201-3208) or what action will be taken to prevent a violation.

5. Legal and Related Matters

- (a) Have you been involved in any of the following filings where the filing was denied, disapproved, withdrawn, or otherwise returned without favorable action by a federal or state regulatory authority or a self-regulatory organization:

(1) A charter or license application, a depository institution holding company application, or a federal deposit insurance application, in which you were listed as an organizer, director, senior executive officer, or a person that would own or control (either individually or as a member of a group) 10 percent or more of any class of voting securities or other voting equity interest of the institution, or similar position? Yes No

(2) A merger application in which you were listed as a director, senior executive officer, or similar position? Yes No

(3) A notice of change in director or senior executive officer, or similar form, in which you were listed as a director, senior executive officer, or similar position? Yes No

(4) A notice of change in control for a depository institution or other company, or a similar form, in which you were listed (either individually or as a member of a group) as an acquirer or transferee? Yes No

Individual's Name: _____

- (5) Any other application, notice, or other regulatory or administrative request which was filed with a federal or state regulatory authority or a self-regulatory organization in which you were listed in some capacity? Yes No
- (b) Have you or any depository institution or depository institution holding company with which you are or were associated been subject to any supervisory agreement, enforcement action, civil money penalty, prohibition or removal order, or other supervisory or administrative action taken or imposed by any federal or state regulatory authority or other governmental entity? Yes No
- (c) Has any depository institution with which you are or were associated:
- (1) Been placed into conservatorship or receivership or otherwise failed? Yes No
- (2) Received financial assistance from a federal agency or instrumentality (for example, FDIC, Resolution Trust Corporation, Federal Savings and Loan Insurance Corporation)? Yes No
- (3) Merged with or been acquired by an institution that received financial assistance from a federal agency or instrumentality in connection with the transaction? Yes No
- (d) Have you or any company with which you are or were associated:
- (1) Filed a petition under any chapter of the Bankruptcy Code or had an involuntary bankruptcy petition filed against you or the company? Yes No
- (2) Defaulted on a loan or financial obligation of any sort, whether as obligor, cosigner, or guarantor? Yes No
- (3) Forfeited property in full or partial satisfaction of any financial obligation? Yes No
- (4) Had a lien placed against property for failure to pay taxes or other debts? Yes No
- (5) Had wages or income garnished for any reason? Yes No
- (6) Failed or refused to pay any outstanding judgments? Yes No
- (e) Have you or any company or depository institution with which you are or were associated been involved in any lawsuit, formal or informal investigation, examination, or administrative proceeding that may result in, or resulted in, any penalty (including, but not limited to, any sanction, fine, order to pay damages, loss of right or benefit, forfeiture of property interest, or revocation of license), agreement, undertaking, consent, judgment, or order imposed by or entered into with any of the following entities:
- (1) Any federal or state court? Yes No
- (2) Any department, agency, or commission of the United States government? Yes No

Individual's Name: _____

- (3) Any state, municipal, or foreign governmental entity? Yes No
- (4) Any self-regulatory organization (for example, NASD, FASB, state bar)? Yes No
- (f) Have you or any company or depository institution with which you are or were associated been arrested for, charged with, indicted for, or convicted of (including a conviction where the record was expunged), or ever pleaded *nolo contendere* to, any criminal matter (other than minor traffic violations)? Yes No
- (g) If you answer "yes" to any question in 5(a) through 5(f), provide your explanation by identifying the number of the question, describing the situation in detail, and, where relevant, including the:
- Name and location of any institution, company, party, court, regulatory agency, or self-regulatory organization involved.
 - Nature of your association with any institution or company (for example, officer, director, organizer, principal shareholder, or owner).
 - Type of any application, notice, or other regulatory or administrative request.
 - Nature of any supervisory, enforcement, or administrative action.
 - Direct and indirect debt terms, defaulted amount, and creditor regarding any financial obligation.
 - Date of any relevant event.
 - Nature of any lawsuit, charge, or proceeding.
 - Jurisdiction in which any legal proceeding occurred.
 - Resolution or disposition of the matter.

6. Additional Information

Present any other information you believe is important to evaluate your filing.

Individual's Name: _____

FINANCIAL REPORT

CONFIDENTIAL

FINANCIAL STATEMENT AS OF

_____, _____

ASSETS		LIABILITIES AND NET WORTH	
Cash on hand and in depository institutions	\$ _____	Accounts payable	\$ _____
Marketable securities	_____	Notes payable and other loans	_____
Notes receivable	_____	Real estate mortgages	_____
Real estate	_____	Other liabilities	_____
Proprietary interests and other securities	_____	TOTAL LIABILITIES	_____
Retirement funds and other assets	_____	Net worth (Total assets less total liabilities)	_____
TOTAL ASSETS	\$ _____	TOTAL LIABILITIES AND NET WORTH	\$ _____

Privacy Act Notice

The solicitation and collection of this information, including a Social Security Number, is authorized by those statutes that require an appropriate banking agency to determine the competence, experience, integrity, and financial ability of individuals proposing to serve a federally regulated financial institution in an official capacity - that is, as a director, officer, employee, or principal shareholder. These statutes include: 12 U.S.C. § 1815 (federal depositor insurance); 12 U.S.C. § 1817(j) changes in control of insured depository institutions); 12 U.S.C. § 1831(i) (agency disapproval of directors and senior executive officers of insured depository institutions or depository institution holding companies); and Minnesota Statutes, Sections 46.041-46.044 and 49.44.

THIS ENTIRE APPLICATION AND CORRESPONDENCE PERTAINING TO IT WILL BE A PUBLIC RECORD AT THE DEPARTMENT OF COMMERCE. The application file will be public, with the exception of financial data on individuals which is private under the Minnesota Government Data Practices Act and data defined as trade secret information under section 13.37, subdivision 1, paragraph (b), which would be given nonpublic classification upon written request by the applicant.

CERTIFICATION

** If a joint financial statement is being submitted, both parties should complete the "Certification".*

I understand that the appropriate regulatory agency may conduct extensive checks into my background, experience, and related matters in conjunction with my application or filing. I certify that the information contained in the biographical report and financial report, including all attachments, has been carefully examined by me and is true, correct, and complete. I acknowledge that any misrepresentation or omission of a material fact constitutes fraud in the inducement and may subject me to legal sanctions provided by 18 U.S.C. §§ 1001 and 1007.

Signed this _____ day of _____, _____.

Signature

Signature*

Print or type name

Print or type name

Title (if applicable)

Title (if applicable)