



ACCESS 1ST CAPITAL BANK

a proposed Texas state bank

320 Eagle Drive
Denton, Texas 76201
(940) 387-4156

COMMON STOCK UP TO 3,000,000 SHARES

We are offering for sale a minimum of 1,500,000 and a maximum of 3,000,000 shares of our common stock at a price of \$10.00 per share to raise the money to organize Access 1st Capital Bank, a proposed Texas state bank to be headquartered in Denton, Texas. Prior to this offering, we have conducted no active business operations and have issued no shares. Upon completion of the offering, we have no current plans to list our shares on any national stock exchange.

To participate in the offering, you must subscribe to purchase at least 1,000 shares. You may subscribe for and purchase a maximum of 75,000 shares in the offering. If you subscribe for more than 75,000 shares, we intend to reject the portion of the subscription that exceeds 75,000 shares. In our sole discretion, we may waive in writing the minimum or maximum subscription amounts.

The offering is expected to end on March 15, 2007. However, we may, in our sole discretion, end the offering prior to March 15, 2007, or extend it for additional periods. We reserve the right to reject, in whole or in part, any subscription for shares of our stock. We will offer and sell our common stock on a "best-efforts" basis through our organizers, officers and directors, with the assistance of Bank Capital Group, LLC, which will assist our organizers, officers and directors with marketing efforts, subject to compliance with applicable federal and state securities laws. Our organizers, officers and directors will receive no commission or other compensation for their efforts in selling our common stock. Our organizers, officers and directors intend to subscribe for an aggregate of 295,000 shares of common stock sold in this offering.

All subscription funds will be held in an escrow account at The Independent BankersBank, a Texas state bank located in Dallas, Texas, which will act as the escrow agent. The escrow agent will hold the subscription funds until we accept subscriptions for at least 1,500,000 shares and receive all required regulatory approvals. We will be unable to use any subscription funds until they are released from escrow. If we are unable to sell at least 1,500,000 shares of common stock or fail to receive all required regulatory approvals, the escrow agent will promptly return all subscription funds to investors. We will retain any interest earned on the subscription funds (net of the escrow agent's expenses) held in escrow.

Each of our organizers has advanced \$20,000 to us as funds necessary to cover the expenses incurred in connection with our organization. Additional organizational and pre-opening expenses will be funded by a line of credit issued by The Independent Bankers Bank, which line of credit has been used to repay the organizers their advanced funds. Each of our organizers is providing limited guarantees with respect to the additional amounts extended to us by The Independent BankersBank for these purposes. In exchange for undertaking these obligations, the organizers will receive, in the aggregate, warrants to purchase 149,994 shares of our common stock. The warrants are freely transferable by the holder. These warrants will be exercisable at a price of \$10.00 per share, the initial offering price, and may be exercised at any time within 10 years of the date that we open for business.

Our common stock is not a deposit or a bank account and is not insured by the Federal Deposit Insurance Corporation or any other government agency. Our common stock is subject to investment risk, including possible loss of principal.

An investment in our common stock involves risks, and you should not invest in this offering unless you can afford to lose all of your investment. We have described what we believe are the material risks of this investment in the section titled "Risk Factors" beginning on page 12.

The common stock offered by this offering circular has not been approved or disapproved, and the completeness and accuracy of the disclosures in this offering circular have not been passed upon by the Securities and Exchange Commission, any state securities commission, the Board of Governors of the Federal Reserve System, the Texas Department of Banking, the Federal Deposit Insurance Corporation or any other regulatory body. Any representation to the contrary is a criminal offense.

The following table summarizes the minimum and maximum proceeds that we expect to receive from the offering.

	Per share	Total minimum	Total maximum
Subscription price	\$ 10.00	\$ 15,000,000	\$ 30,000,000
Sales agent fees and commissions	\$ 0.00	-	-
Proceeds to Access 1st Capital Bank ⁽¹⁾	\$ 10.00	\$ 15,000,000	\$ 30,000,000

(1) Before deducting organizational and other pre-opening expenses consisting of, among others, legal and accounting fees, and printing, distribution and marketing expenses, estimated to equal approximately \$1,168,800.

The date of this offering circular is January 10, 2007.

HOW TO SUBSCRIBE

If you desire to subscribe for shares of our common stock, you must complete the subscription agreement enclosed with this offering circular as well as the proxy sheet. You may not purchase, directly or indirectly, more than 75,000 shares of our common stock unless we waive this limitation. To participate in the offering, you must subscribe for the purchase of at least 1,000 shares. We reserve the right to accept or reject, in whole or in part, in our sole discretion, any subscription for shares of our common stock. We also reserve the right to accept a subscription that is less than the minimum subscription amount or greater than the maximum subscription amount.

A completed subscription agreement and a check in the full payment for the shares of common stock for which the prospective investor has subscribed, along with an executed copy of the proxy sheet attached to this offering circular, should be mailed or hand delivered to:

The Independent BankersBank, Escrow Agent for Access 1st Capital Bank
c/o Access 1st Capital Bank (Proposed)
210 South Elm St., Suite C
Denton, Texas 76201

YOUR SUBSCRIPTION WILL BECOME IRREVOCABLE WHEN THE BANK RECEIVES YOUR SUBSCRIPTION AGREEMENT.

We will promptly notify you by written confirmation upon acceptance of your subscription. Subscription payments attributable to rejected subscriptions will be refunded promptly, without penalty or interest.

[This Page Intentionally Left Blank]

SUMMARY

The information that follows highlights information contained elsewhere in this offering circular. Because it is a summary, this portion of the offering circular may not contain all of the information that is important to you. For a more complete understanding of the offering, we urge you to read this entire offering circular carefully. When we refer in this offering circular to “we,” “our,” “us,” and the “Bank,” we are referring to the proposed Access 1st Capital Bank, unless the context indicates otherwise. When we refer to “you” and “your,” we are referring to the prospective investor reading this offering circular.

Access 1st Capital Bank

We are a proposed Texas state banking association that is being formed to be a full-service commercial bank headquartered in Denton, Texas. Initially, we will serve Denton, Texas, Denton County and the surrounding areas. Denton, Texas is located approximately 35 miles due north of Dallas, Texas, and is approximately 30 miles from downtown Fort Worth, Texas. Simultaneously with the opening of the Bank, we intend to open a loan production office (“LPO”) in north Dallas, Texas. The LPO will initially be used to test our branching strategy. We anticipate converting the north Dallas LPO into a full-service branch location within the first year of operations.

We intend to offer a broad range of commercial and consumer banking services to small business owners, professionals, locally-owned larger businesses and retail and consumer clients who we believe will be particularly responsive to the style of service that we intend to provide to our customers. We believe that local ownership and control will allow us to serve customers more efficiently and effectively and will aid in our growth and success. We intend to compete on the basis of providing a unique and personalized banking experience combined with a full range of services, customized and tailored to fit the needs of the client. The Bank anticipates providing specialized lending products to professionals, including attorneys, doctors and dentists. We will initially market the specialized lending product to attorneys. We believe that certain members of our proposed management team and Board of Directors are particularly well suited to develop products and services for this segment of the market.

Our organizational activities are being conducted from Access FR Capital, Inc., 210 South Elm Street, Suite C, Denton, Texas 76201. Our telephone number is (940) 382-3962. We expect to retain this telephone number when we move to our permanent office. Our principal business office will initially be located in a temporary facility located near our eventual permanent location at 320 Eagle Drive, Denton, Texas 76201. Our permanent location will be situated on approximately 1.8 acres at the intersection of Eagle Drive and Carroll Boulevard in Denton. This intersection is the far southwest corner of the designated “Downtown Development Area” in Denton, Texas. This area contains the Denton County courthouse and Denton County and City of Denton government offices and services. This location was chosen due to its high visibility and easy access.

In conjunction with the opening of our main office in Denton, Texas, we plan to also open a LPO in north Dallas, Texas. The LPO will be used to develop and test our branching strategies. We anticipate that within our year of operations, the LPO will be converted into a full-service branch location. The exact location of the north Dallas LPO has not yet been determined.

To date, our sole operations have been directed toward preparing and filing applications with various bank regulatory authorities for permission to organize a Texas state bank and taking all other actions necessary to organize and obtain our banking charter, including those related to raising capital pursuant to this offering. On November 27, 2006, we filed an application with the Texas Department of Banking (TDB) to organize a new Texas state bank in Denton, Texas, and an application with the Federal Deposit Insurance Corporation (FDIC) for federal deposit insurance. Our application to the TDB was officially accepted by the TDB on December 29, 2006. Each application is pending. While approval of our regulatory applications is not assured, we have no reason to believe that the approvals will not be forthcoming.

We anticipate that we will receive approval as a bank in organization in the second quarter of 2007, but we may not be able to commence banking operations until the third quarter of 2007. During the period between regulatory approval and the commencement of banking operations, we will be engaged in taking actions to satisfy the conditions to regulatory approval imposed by the TDB and the FDIC, including that we raise the minimum capital of \$15 million. In addition, we will be engaged in such activities as the recruitment and training of staff, preliminary marketing, and the installation of our computer systems and operating software. We will not receive final approval before the completion of the offering and satisfying all of the other regulatory conditions. Construction of our permanent facility is not scheduled

to be completed until after we expect to open for business. We cannot assure you that we will be able to open for business when anticipated.

Management

Our organizers and the persons who we intend to become our initial Board of Directors are engaged in a broad range of commercial, professional and community-oriented activities and have strong professional and personal ties to the Denton, Texas and Dallas, Texas banking market that we will be serving. We will draw upon their knowledge of the community and the banking market in the development of our business. The organizers and proposed directors possess a wide spectrum of banking and business experience and were carefully chosen, taking into account personal and professional strengths, contacts and reputation. We expect that each organizer and proposed director will attract clients through their own personal and professional networks. In addition, our executive management team has extensive banking and financial services experience.

Why We Are Organizing a New Bank

Although we will compete with a number of other financial institutions, a large percentage of the assets in our proposed banking markets are held in financial institutions that are not locally-owned and operated. By creating a broadly-held, locally-owned and locally-managed bank that is sensitive and responsive to the needs of the community, we believe that there is an opportunity for us to acquire significant market share. We intend to offer an alternative to the less personal service that we believe is offered by many larger banks. Most larger banks currently serving our proposed banking market all have headquarters, ownership and executive decision-makers located outside of the Denton and Dallas, Texas banking markets, and we believe that our local ownership and our local management will be attractive to the community.

Denton Location. Our proposed primary banking market consists of Denton, Texas and the surrounding community. Our main office will be located near downtown Denton, Texas. We believe that this banking market is diverse and has a growing population and economy. Denton is the County seat of Denton County, Texas, and is home to two major universities – Texas Woman’s University and The University of North Texas. Denton has few independent banks, and several branch locations of large out-of-state financial institutions. We believe that the Denton community will enthusiastically welcome and support a new community bank that is locally-managed and locally-owned by a broad base of local shareholders. As a community bank, we will provide commercial and consumer banking services to small business owners, professionals, locally-owned larger businesses and retail and consumer clients who we believe will be particularly responsive to the style of service that we intend to provide.

All of the demographic data and projected growth rates discussed below are based on data and forecasts available from Claritas, a database that contains population and economic trend information. The City of Denton and Denton County, Texas, in general, is experiencing significant economic development and growth, and the resulting development and growth based on the opportunities associated with such changes. The Bank’s proposed location in Denton is ideal because it is located in the center of Denton County, on the southwest corner of the designated “Downtown Development Area,” which houses the Denton County Courthouse and related city and county government offices. Additionally, the City of Denton has recently adopted a downtown redevelopment plan that includes mixed-use commercial and residential development. Our proposed location will serve as a gateway to this new development, as well as provide a centrally-located, easily accessible location for the greater Denton, Texas banking market. We initially expect to draw a majority of our business from the Denton, Texas market area.

The Bank’s target area enjoys a moderately high income level. The median household income level for the Bank’s primary service area was \$42,772 for 2006, and averaged \$59,433. The median age of the resident in the Denton area is 30 years, and 60% of the population is younger than age 34. Over 42.4% of Denton households have household income exceeding \$50,000, and 25% of the households have income exceeding \$75,000. Generally speaking, individuals with higher incomes tend to seek out financial institutions that are committed to delivering quality service. That being the case, the Denton location will be located in an area that has a high percentage of residents with above average family incomes relative to other areas in the State of Texas. We believe that this location will translate into marketing opportunities for us.

In addition, according to the demographic data obtained from Claritas, the Denton, Texas area has experienced notable growth in the number of households over the last five years, and this trend is expected to continue. Over the past five years, the population growth in the area has outpaced that of the State of Texas in general. Specifically, population

growth in the Denton area was 28% over the past six years, compared to 10.6% for the State of Texas. The projected population growth rate for the area is 19.2% through 2011 – more than double that for the State of Texas (8.3%). Household growth in the area shows similar trends. Over the past six years, the Denton area experienced a 30% increase in the number of households, as compared to 10.5% for the State of Texas. Denton is expected to continue to experience growth in households at a rate of 20% over the next five years, compared to 8.2% for the State of Texas. Of course, with the population and household growth will also come employment, income, business, retail and services growth upon which the Bank can build.

Proposed North Dallas Location. While the exact location has not yet been determined, our proposed LPO and eventual branch location in Dallas, Texas will be located in north Dallas. We believe that this location will enable us to take advantage of the higher than average household income and professionals located within a five mile radius of the center of the target location. While the north Dallas area does have a number of independent banks and several branch locations of large out-of-state financial institutions, our strategy of establishing a LPO to test the market provides us with a low cost means of entering the area. We believe that the north Dallas residential and business community will enthusiastically welcome and support a new branch location of a community bank.

Dallas is the main cultural and economic center of the Dallas-Fort Worth metropolitan area. With over 5.8 million people, Dallas is the fifth-largest metropolitan area in the United States. The proposed north Dallas market area is ideal because it will be located near both residential and commercial development, enabling our Bank to take advantage of both personal and business banking opportunities. We expect to draw a significant amount of our business from the north Dallas branch.

The target area for our LPO and eventual branch location enjoys a higher income level than the remainder of Dallas and the State of Texas. The median household income level for the service area was \$57,180 for 2006, and averaged \$86,074. The median age of the resident in the proposed Dallas service area is 35 years, and 50% of the population is younger than age 34. Approximately 25% of the households in the proposed Dallas service area have household income exceeding \$75,000. Furthermore, nearly one quarter of the occupations in the proposed Dallas service area are professions – doctors, lawyers, accountants, etc., and approximately 20% are in management. As noted previously, individuals with higher incomes, as well as professionals, generally tend to seek out financial institutions that are committed to delivering quality service. Consequently, the proposed Dallas location will be located in an area that has a high percentage of residents with above average incomes. We believe that this location will translate into marketing opportunities for us and will serve as an ideal location from which we can develop our professional lending service products.

We expect that the Denton location will serve the following zip codes: 76201, 76203, 76205 and 76208. We expect the Dallas LPO and proposed branch location to serve the following zip codes: 75001, 75240, 75244, 75248, 75251 and 75254. Through our strategically located main banking office and anticipated LPO and eventual branch location, we believe that we will be able to capitalize on the demographic and growth opportunities expected to develop in these market areas.

In addition, the organizers and management, with Ben and Teresa Goff in particular, have significant experience in the attorney marketplace. As a result, the Bank anticipates developing products and services for law firms. Management believes that it has developed systems to track such receivables in the cases represented by such receivables on an ongoing basis to monitor the credit quality of its loan to the law firm. The Bank will be loaning the money to and underwriting the law firm involved in the case. In addition, the Bank will require personal guarantees as circumstances warrant. Ultimately, it is the desire of the Board and management to expand the Bank's activities into other services and products for this segment of the economy.

Executive Officers, Directors and Organizers

The proposed Bank has 17 organizers, 16 (2 inside and 14 outside) of whom are to be directors. The management team will be led by Benjamin A. Goff, our proposed Chairman, Randall L. Robinson, our proposed President and Chief Executive Officer and Carolyn P. Gardner, our proposed Senior Vice President and Chief Financial Officer.

Benjamin A. Goff and his wife Teresa Goff had the initial vision to organize a new, independently-owned bank with an emphasis on serving professionals, such as attorneys, dentists, and doctors. Over seven years ago, they determined that many banks do not understand the financial services needs of professionals, particularly attorneys. Together they built Advocate Capital, Inc., a specialty finance company that provided loans to attorneys. They believe that the financial

services needs of attorneys and many professionals like them extend beyond simply borrowing money. They sold their interest in Advocate Capital, Inc. to their co-owner in that business. They entered into a non-compete agreement that prevented them from pursuing lending to their primary markets.

After expiration of the non-compete agreement, they embarked on an effort to bring a full array of financial products to attorneys and other professionals. After reviewing several specialty banks, it was determined that the regulators were more amenable to a classic community bank with a division targeting professionals. This plan actually creates a stronger entity than a classic community bank by itself or a specialty bank by itself. The combined strategy offers greater diversification of products, and allows for the development of products that can be cross-sold to both groups. The organizers also believe this structure should result in a reduction in the concentration issues that a classic community bank faces, i.e., geographic concentration and product-line concentration. The Goffs decided to establish the bank in Texas because the quantity of potential clients for both the community bank and professional services division is greater in Texas, and in particular the north Texas region that includes both Denton and Dallas.

In February 2006, the initial group of organizers met to discuss the viability of this venture. Everyone was excited about the opportunity, and shortly thereafter Access FR Capital, Inc. was formed to facilitate the organizational process. The organizers retained Jenkens & Gilchrist, A Professional Corporation, as legal counsel, and Bank Capital Group, LLC, a consulting firm, to assist in the forming of the Bank and the Bank's capital raising efforts. In the summer of 2006, Bank Capital Group, LLC identified Randall L. Robinson as a strong candidate for the position of President and Chief Executive Officer. Mr. Robinson has 27 years of banking experience, most of which has been with financial institutions in Denton, Texas. Mr. Robinson was most recently employed with First United Bank and Trust as their Denton County President. Based on Mr. Robinson's strong experience and ties to the Denton community, the organizers decided to locate the Bank's headquarters in Denton, Texas. The organizers also decided to take advantage of the opportunities identified in north Dallas with the proposed LPO which will eventually be converted to a depository branch within our first year of operations.

Our directors, organizers and executive officers are experienced bankers or local business and community leaders. We believe that their business experience and relationships will enable them to assist us in developing and maintaining a loyal customer base. We expect that these individuals will use their diverse backgrounds and their extensive local business relationships to attract customers from all segments of the community. For more information on each director, organizer and executive officer of the proposed Bank, please refer to the section of this offering circular entitled "*Management*," beginning on page 33.

Sixteen of the Bank's seventeen organizers will comprise the Bank's initial Board of Directors.

Benjamin A. Goff	Randall L. Robinson	Pablo Alvarado
Brett M. Bingham	Truman M. Wolf	Philip J. Gallivan, Jr.
Carmen Mitchell Goff	Ben A. Goff	Teresa L. Goff
Fred L. Hill	Garrett H. Jamison	Mary Jo "Pete" Kamp
David J. Vanderlaan	David A. McBee, Sr.	J. Virgil Strange
Jerry M. Kelsoe		

Karen Chapman, is the additional organizer who will not serve on the Bank's Board of Directors. Each of our organizers is playing an important role as we develop our business plan and corporate policies prior to the time we open for business.

Our directors, organizers and executive officers intend to purchase an aggregate of approximately 295,000 shares of the common stock offered by this offering circular. Those shares will represent approximately 19.67% of the 1,500,000 minimum and 9.83% of the 3,000,000 maximum number of shares to be sold in the offering. Further, the organizers may acquire additional shares of common stock, particularly if additional subscriptions are necessary to achieve the minimum subscription level required to organize the Bank.

As required under Texas law, the Bank's initial articles of association will be filed to authorize the exact number of shares to be issued pursuant to subscriptions received in this offering. Immediately after opening the Bank, the articles will be amended to increase the number of authorized shares to 10,000,000 in order to provide for the issuance of the organizer warrants, director options, and shares to be issued under the stock option plan, as described below. In order to

amend the articles, we are asking each subscriber to execute the proxy sheet attached to the subscription agreement and return the executed proxy sheet with your completed subscription agreement. The proxy sheet will allow Benjamin A. Goff and Randall L. Robinson, as proxies, to consent to an amendment to the articles of association to increase the number of authorized shares. The proxy sheet will also allow the subscriber to direct Benjamin A. Goff and Randall L. Robinson, as proxies, to approve the stock incentive plan, described in the section titled “*Management - Stock Incentive Plan*” at p. 42, and to elect the Board of Directors described above.

Warrants

To date, we have funded our organizational and opening expenses from direct cash advances of \$20,000 each made by our organizers, as well as from draws under a line of credit of approximately \$1.5 million extended to us by The Independent Bankers Bank. All of our organizers have provided a limited guarantee on amounts drawn under the line of credit. We expect to incur approximately \$1.2 million in organizational and pre-opening expenses. We intend to fund any additional organizational and other pre-opening expenses incurred before we open for business, as well as the acquisition costs of certain fixed assets, from draws under the line of credit. These expenses are described more fully in the section titled “*Use of Proceeds - Organizational Expenses*,” beginning on page 22. In the event that we do not open, our organizers will bear the risk of loss with respect to any direct cash advances that have not been repaid and may be pursued by The Independent Bankers Bank with respect to any funds advanced under the pre-opening line of credit.

In recognition of the substantial financial risks undertaken by the members of our organizing group, we intend to grant an aggregate of 149,994 warrants to our organizers. Our organizers will receive the warrants for their guarantee of the line of credit and for the \$20,000 that each has advanced for organizational expenses. The warrants will be exercisable at a price of \$10.00 per share, the initial offering price, and may be exercised within ten years of the date that we open for business. Our Board of Directors has the discretion to increase the number of warrants issued to any organizer if the organizational and pre-opening expenses exceed our expectations and we need additional funding or need to increase our line of credit, which will in turn increase the risk of loss to our organizers.

We will not issue organizer warrants to purchase fractional shares of common stock. Instead, we will round down to the next whole number in calculating the number of warrants to issue. In addition, the amount of organizer warrants granted to any one individual will not exceed number of shares for which such person has committed to subscribe in this offering. Holders of warrants may be able to profit from any rise in the market price of our common stock over the exercise price of the warrants to the extent that it enables them to purchase shares of our common stock at a price that is less than the then current market value.

Stock Options

We will maintain a stock incentive plan designed to provide us with the flexibility to grant incentive stock options to our executive officers and other individuals employed by us, and non-qualified stock options to our non-employee directors and any of our non-employee affiliates, if any, from time to time. The stock incentive plan must be approved by our shareholders within one year after the date of adoption by the Board of Directors in order to issue incentive stock options under the plan. We are asking that each subscriber execute the proxy sheet attached to this offering circular in order to direct the proxy to approve the stock incentive plan on behalf of the shareholders. If the stock incentive plan is not approved by our shareholders, all stock options that have been, or may be, granted under the plan will be treated as non-qualified stock options. The plan will have a term of 10 years. Our Board of Directors intends to reserve for issuance under the stock incentive plan an aggregate of 295,000 shares of common stock.

In addition, in recognition of their efforts in organizing the Bank and their commitment to serve as the Bank’s initial directors, the Bank intends to grant our directors options to purchase shares of our common stock. We currently expect to grant, in the aggregate, up to 137,600 director options. Our Board of Directors, however, has the discretion to increase the number of options issued to any director. The options expire at the end of 10 years following the date we open for business, and vest over a three year period following the date of grant. The director options are non-transferable, except upon the director’s death. The director options will be exercisable at a price of \$10.00 per share.

When we open for business, we intend to issue options to purchase shares of common stock to the following individuals in the amounts set forth below:

Name	Position	Number of options to be issued
Benjamin A. Goff	Chairman	45,000
Randall L. Robinson	President and Chief Executive Officer	45,000
Directors	All Directors	145,000
<u>Officer Pool</u>	Officers	<u>60,000</u>
Total		295,000

We may grant up to an additional 15,000 options or warrants to Bank Capital Group, LLC, the consultant that assisted the Bank with the Bank's organization and capital raising efforts. These options or warrants may be granted in consideration for the consultant reducing fees or postponing the Bank's payment of fees to the consultant. To the extent options are granted, all of these options will be non-qualified stock options. In lieu of options or warrants, we may pay the consultants an additional 125% of the value of these options or warrants. The remainder of the options under the stock incentive plan will be available for issuance at the discretion of our Board of Directors.

Products and Services

We will focus on community involvement and personal service while providing customers with the financial sophistication and products typically offered by a larger bank. We will emphasize personalized banking services to small to medium-sized business owners, locally-owned businesses, professionals and individual consumers, including commercial and personal checking accounts. Lending services will include consumer loans, commercial loans, and real estate loans to small to medium-sized businesses and professional concerns. We will offer a broad array of deposit services including regular savings accounts, money market accounts, certificates of deposit and individual retirement accounts. For the convenience of our customers, we will also offer credit and debit cards, automatic transfers, travelers' checks, domestic and foreign wire transfers, savings bonds, cashier's checks and personalized checks. These services are expected to be provided through a variety of delivery systems including a full-service office, night depositories, automated teller machines, private banking, banking by mail, courier services for select customers, and Internet banking.

In addition, the Bank anticipates focusing its commercial lending activities on small- to medium-sized businesses, which the Bank considers to include commercial, professional and retail businesses with annual gross sales of less than \$50 million, or operating costs of less than \$10 million. The commercial lending will include loans to entrepreneurs, professionals and small- to medium-sized retailers. Furthermore, part of this commercial lending activity will also involve a niche market for "professional services lending." Professional services lending will consist of lending activities for attorneys, doctors and dentists, but will initially target attorneys.

The organizers and management, with Ben and Teresa Goff in particular, have significant experience in the attorney marketplace. As a result, the Bank anticipates developing products and services for law firms. Initially, such services will involve lending to law firms that represent plaintiffs, including individuals who have suffered personal injuries. Such firms make advances on behalf of their clients. These advances represent receivables against the ultimate judgment or settlement. If an attorney is replaced, he still has a statutory lien on these receivables.

Management believes that it has developed systems to track such receivables in the cases represented by such receivables on an ongoing basis to monitor the credit quality of its loan to the law firm. It is important to realize that this type of lending is not "gambling on the merits of a case." Instead, the Bank will be loaning the money to and underwriting the law firm involved in the case. In addition, the Bank will require personal guarantees as circumstances warrant. Management's experience with this type of lending is it is relatively short term, i.e., on a one-year to 18-month cycle. Accordingly, monitoring such credits is crucial to oversee the performance of this portion of the loan portfolio.

Ultimately, it is the desire of the Board and management to expand the Bank's activities into other services and products for this segment of the economy. Thus, at some point, the Bank may form a trust department and an insurance agency in order to take advantage of other needs of attorneys involved in personal injury and other plaintiff-type litigation. In that regard, the Bank would in the future seek to develop products to assist such lawyers in structured settlements, managing distributions of structured settlement funds to law firm clients and maintaining IOLTAs (interest on lawyer trust accounts). There is no assurance that the Bank will be able to obtain trust powers or an insurance agency or if it were able to do so, that it would be able to provide services that would be deemed acceptable by the marketplace.

Philosophy and Strategy

We will operate as a full-service community bank, offering sophisticated financial products while emphasizing prompt, personalized customer service. We believe that this philosophy, encompassing the service aspects of community banking, will distinguish us from our competitors.

To carry out our philosophy, our business strategy will involve the following:

- capitalizing on the diverse community involvement, professional expertise and personal and business contacts of our organizers, directors and executive officers;
- hiring and retaining experienced and qualified banking personnel;
- taking advantage of the strong demographic growth of our proposed market;
- providing individualized attention with consistent, local decision-making authority;
- utilizing technology and strategic outsourcing to provide a broad array of convenient products and services;
- operating from a highly visible and accessible banking office in close proximity to a concentration of targeted commercial businesses and professionals;
- attracting our initial customer base by offering competitive interest rates on our deposit accounts; and
- implementing a strong marketing program.

Terms of the Offering

We are offering for sale a minimum of 1,500,000 and a maximum of 3,000,000 shares of our common stock at an offering price of \$10.00 per share. The number of shares offered does not include shares issuable upon the exercise of warrants that we will issue to our organizers and options that we will issue to our directors, or shares issuable upon the exercise of stock options that may be granted under our stock incentive plan. See “*Summary - Warrants*” and “*Stock Options*,” respectively, each beginning on page 8 and “*Management – Stock Incentive Plan*,” beginning on page 42.

To participate in the offering, you must subscribe to purchase at least 1,000 shares. You may subscribe for and purchase a maximum of 75,000 shares in the offering. If you subscribe for more than 75,000 shares, we intend to reject the portion of the subscription that exceeds 75,000 shares. In our sole discretion, we may waive, in writing, the minimum or maximum subscription amounts. Your subscription is irrevocable once you submit it to us. We also reserve the right to reject, in whole or in part, any subscription for shares of our common stock. The offering price will be payable at the time that the subscription is made. We will offer and sell our common stock on a “best-efforts” basis through our organizers, officers and directors, with the assistance of Bank Capital Group, LLC, which will assist our organizers, officers and directors with marketing efforts, subject to compliance with applicable federal and state securities laws. No organizer, director, or officer will receive any commission or other compensation in connection with the sale of our common stock, including for soliciting sales of our common stock in the offering. However, we will reimburse reasonable out-of-pocket expenses incurred by our officers and directors in connection with the offering. See “*The Offering – Plan of Distribution*,” beginning on page 19.

Offering Termination Date

We expect the offering to end on March 15, 2007. However, we may elect to extend the offering, in our sole discretion. In addition, we reserve the right to end the offering at any time before March 15, 2007 if we have received subscriptions for at least 1,500,000 shares and determine that the total amount of subscriptions will provide adequate capitalization for us after payment of organizational expenses. In our sole discretion, we may conduct multiple closings of the offering after the minimum offering amount is raised and after we have received all required regulatory approvals to organize.

How to Subscribe

Each prospective investor who (together with the investor's affiliates) desires to purchase 1,000 or more shares should do the following:

- complete, date and sign the subscription agreement that accompanies this offering circular;
- make a check payable to "The Independent BankersBank – Escrow Account for Access 1st Capital Bank" in an amount equal to the subscription price of \$10.00 times the number of shares for which you have initially subscribed;
- execute the proxy sheet attached to this offering circular; and
- mail or hand deliver the completed subscription agreement, check and executed proxy sheet to us at the following address:

The Independent BankersBank, Escrow Account for Access 1st Capital Bank
c/o Access 1st Capital Bank (Proposed)
210 South Elm Street
Suite C
Denton, Texas 76201

When your subscription agreement is received by the Bank, it will become binding on you and will be irrevocable by you.

Escrow Arrangements

Because we cannot open until we receive all regulatory approvals required to organize the Bank, all subscription funds will be held in an escrow account at The Independent BankersBank, which will act as escrow agent. The escrow agent will hold all subscription funds until we receive subscriptions for at least 1,500,000 shares and receive all required regulatory approvals. We expect, but cannot assure you that we will receive all required regulatory approvals in the second quarter of 2007, and expect to open for business during the third quarter of 2007. If we are unable to sell at least 1,500,000 shares of common stock or fail to receive all required regulatory approvals by the expiration date of the offering, the escrow agent will promptly return all subscription funds to investors.

All subscription funds will be paid to us to the extent that we accept the subscription agreement. If we reject, in whole or in part, a subscriber's subscription agreement, we will promptly return the subscription funds attributable to the rejected subscription. We will retain any interest earned on the subscription funds held in escrow to defray organizational expenses.

Use of Proceeds

Subject to regulatory approval, we intend to use the proceeds of this offering (i) to repay the pre-opening loans extended to us by The Independent BankersBank, (ii) to purchase furniture, fixtures and equipment, and (iii) to provide working capital to be used for business purposes, including paying salaries and making loans to customers and other investments. See "Use of Proceeds," beginning on page 21.

Organizational Expenses

We expect to incur approximately \$1.2 million in total organizational and other pre-opening expenses. For more information on our organizational and pre-opening expenses, see "Use of Proceeds – Organizational Expenses," beginning on page 22. To date, we have funded our organizational and pre-opening expenses from direct cash advances of \$20,000 made by our organizers and from draws under a line of credit of approximately \$1.5 million extended to us by The Independent BankersBank. We intend to fund any additional organizational and other pre-opening expenses incurred before we open for business from draws under the line of credit. All of the organizers will receive, in the aggregate, a grant of 149,994 warrants for their guarantee of the line of credit and for the \$20,000 that each has advanced for organizational expenses. We have also repaid the direct cash advances made by our organizers from draws on the line of

credit and that draws on the pre-opening line of credit will be repaid from the proceeds of the offering. If we are unable to open the Bank, our organizers will bear the risk of loss with respect to any direct cash advances made by them that have not been repaid and The Independent BankersBank may pursue our organizers under the limited guarantees with respect to any advances made to us under the pre-opening line of credit.

Access FR Capital, Inc.

Access FR Capital, Inc. has been formed solely for the purpose of facilitating the organizational process for the Bank. It was incorporated by the organizers of the Bank to enable certain agreements and other contracts to be entered into for the benefit of the Bank prior to the time the Bank had legal capacity to contract. Accordingly, Access FR Capital, Inc. serves as the borrower on the pre-opening line of credit extended by The Independent BankersBank and guaranteed on a limited basis by the organizers. From draws under the line of credit, Access FR Capital, Inc. is making payments for the benefit of the Bank to various consultants providing services to the Bank during the organizational process. Access FR Capital, Inc. has not issued, and does not expect to issue, any shares of common stock and is expected to be dissolved when the Bank opens for business.

RISK FACTORS

The following paragraphs describe what we believe are the material risks of an investment in our common stock. We may face other risks as well, which we have not anticipated. An investment in our common stock involves a significant degree of risk, and you should not invest in our common stock unless you can afford to lose your entire investment. Before making any investment decision, we urge you to carefully read the entire offering circular, including the cautionary statement following these risk factors regarding the use of forward-looking statements.

We must receive regulatory approvals before we may open for business.

To commence operations as a Texas state bank, we must obtain regulatory approval of our charter application from the TDB and from the FDIC of our application for deposit insurance. Although approval of our regulatory applications is not assured, we have no reason to believe that these approvals will not be forthcoming.

We must satisfy certain conditions following preliminary regulatory approval before we may open for business.

Even if our Bank charter and federal deposit insurance applications are approved by the TDB and the FDIC, respectively, we expect that the approvals will be subject to certain conditions including, among others, that we raise at least \$15,000,000 in capital within six months following receipt of regulatory approval, and that we open within that same time period. We cannot assure you that we will be able to satisfy all of the conditions imposed by the regulators in connection with their approvals. If we fail to satisfy all of those conditions within the applicable time periods, our approvals will expire. In addition, if the conditions imposed by the regulatory agencies delay the anticipated date of commencing banking operations, we will incur additional organizational expenses, which will result in additional losses. See “– Any delay in beginning banking operations will result in additional losses,” below.

Because this offering is not underwritten, we may be unable to raise the capital required to open the Bank.

This offering is being made without the services of an underwriter. Rather, the offering is being made by our organizers, directors, officers and with the assistance of Bank Capital Group, LLC. Accordingly, no one is obligated to purchase or take for sale any shares of our common stock, and we cannot guarantee you that we will be able to sell at least the minimum number of shares of our common stock required to open the Bank. If we are unable to raise at least the minimum offering amount and open the Bank within the time period specified in our approvals, our regulatory approvals may expire. Although the full amount of your subscription funds will be returned to you in the event that we are unable to achieve the minimum offering amount, you will not receive any interest on your subscription funds and you will be unable to withdraw your subscription funds from escrow, or cancel your subscription, at any time prior to the expiration of the offering.

Any delay in beginning banking operations will result in additional losses.

Any delay in opening for business will increase organizational expenses and postpone realization of potential revenues. This will cause the accumulated deficit from organizational expenses to increase because we must continue to pay salaries and other operating expenses during this period. We expect, but cannot assure you, that we will receive final regulatory approval in the second quarter of 2007, and expect to open for business during the third quarter of 2007.

We have no operating history upon which to base an estimate of our future financial performance.

We do not have any operating history upon which to base any estimate of our future earnings prospects, and we will not receive final regulatory approval to begin operations until after this offering is completed. Consequently, you will have no historical operating or financial information to help you decide whether to invest in the Bank.

We expect to incur losses during our initial years of operations.

At December 31, 2006, we had an accumulated deficit account of \$447,818.33, which represents a portion of the \$1.2 million of estimated organizational and other pre-opening expenses of the offering. After we open, our success will depend, in large part, on our ability to address the problems, expenses and delays frequently associated with new financial institutions and the ability to attract and retain deposits and customers for our services. We expect to sustain losses or achieve minimal profitability during our initial years of operations. We cannot assure you that we will ever become profitable. If we are ultimately unsuccessful, you may lose part or all of the value of your investment. See *“Management’s Discussion and Analysis of Plan of Operations”* and *“Proposed Business,”* beginning on pages 24 and 26, respectively.

Failure to implement our business strategies may adversely affect our financial performance.

We have developed a business plan that details the strategies we intend to implement in our efforts to achieve profitable operations. If we cannot implement our business strategies, we will be hampered in our ability to develop business and serve our customers, which, in turn, could have an adverse effect on our financial performance. Even if our business strategies are implemented successfully, we cannot assure you that our strategies will have the favorable impact that we anticipate. Furthermore, while we believe that our business plan is reasonable and that our strategies will enable us to execute our business plan, we have no control over the future occurrence of certain events upon which our business plan and strategies are based, particularly general and local economic conditions that may affect our loan-to-deposit ratio, total deposits, the rate of deposit growth, cost of funding, the level of earning assets and interest-related revenues and expenses. See *“Proposed Business – Business Strategy”* on page 28.

Failure of to open our LPO or convert the LPO to the proposed branch in Dallas, Texas may adversely affect our financial performance.

Our business plan is predicated upon the opening of the LPO and eventual conversion of that LPO into a branch location in Dallas. If we are unable to open the LPO or convert the LPO into a branch location in Dallas, we will be unable to implement the full degree of our business strategies. Those business strategies assume that a significant degree of our “professional services lending” will originate from our Dallas branch location. If that branch is unable to open, or is unable to open at the time we envision in our business plan, we could be delayed in our ability to develop that line of business, which, in turn, could have an adverse effect on our financial performance. See *“Proposed Business – Business Strategy”* on page 28.

Departures of our key personnel or directors may impair our operations.

Our success will depend in large part on the services and efforts of our key personnel and on our ability to attract, motivate and retain highly qualified employees. Competition for employees is intense, and the process of locating key personnel with the combination of skills and attributes required to execute our business plan may be lengthy.

In particular, we believe that retaining Benjamin A. Goff, Randall L. Robinson and Carolyn Gardner are important to our success. Our financial condition and results of operations may suffer if any one of these persons leaves his or her position for any reason.

If the services of any of our key personnel should become unavailable for any reason, or if the regulatory agencies should require the employment of additional persons to fill banking positions, we would be required to employ other persons to manage and operate the Bank, and we cannot assure you that we would be able to employ qualified persons on terms acceptable to us. If the services of any of our key personnel should become unavailable prior to the time we commence operations, our ability to begin banking operations would likely be adversely affected.

Additionally, our directors’ and organizers’ community involvement, diverse backgrounds and extensive local business relationships are important to our success. If the composition of our Board of Directors changes materially, our banking business may suffer. See *“Management”* on page 33

We will face intense competition from a variety of competitors.

The banking business in our target banking markets and the surrounding areas has become increasingly competitive over the past several years, and we expect the level of competition to continue to increase. See “*Proposed Business – Market Opportunities - Competition*,” beginning on page 26. If this competition forces us to offer aggressive loan and deposit rates or otherwise incur higher funding costs, our profitability will be diminished.

Many of our competitors will be larger than we will be initially and will have greater financial and personnel resources. Many of our competitors will have established customer bases and offer services, such as extensive and established branch networks and trust services that we either do not expect to provide or will not provide for some time. Also, some competitors will not be subject to the same degree of regulation as we will be and thus may have a competitive advantage over us.

We believe that we will be a successful competitor in the area’s financial services market. However, we cannot assure you that we will be able to compete successfully with other financial institutions serving our target banking markets. An inability to compete effectively could be expected to have a material adverse effect on our growth and profitability.

Management may be unable to adequately measure and limit credit risk associated with our loan portfolio, which would affect our profitability.

As a material part of our business plan, we will make commercial and industrial, consumer, commercial and residential real estate, and construction loans, as well as the proposed “professional services” loans. The principal economic risk associated with each class of loans is the creditworthiness of the borrower, which is affected by the strength of the relevant business market segment, local market conditions, the performance of the professional’s business and general economic conditions.

Additional factors related to the credit quality of commercial loans include the quality of the management of the business and the borrower’s ability both to properly evaluate changes in the supply and demand characteristics affecting its market for products and services and to effectively respond to those changes. Other factors related to the credit quality of commercial real estate loans include tenant vacancy rates and the quality of management of the property. Factors related to the credit quality of construction loans include

fluctuations in the value of real estate and new job creation trends.

Many of our anticipated loans will be made to small- and medium-sized businesses and professionals that are less able to withstand competitive, economic and financial pressures than larger borrowers. If we are unable to effectively measure and limit the risk of default associated with our loan portfolio, our profitability will be adversely impacted.

Our legal lending limits may impair our ability to attract borrowers.

During our initial years of operation, our legally mandated lending limits will be lower than those of many of our competitors because we will have less capital than many of our competitors. The lower lending limits may discourage potential borrowers who have lending needs that exceed our limits, which may restrict our ability to establish relationships with larger businesses in our area. See “*Proposed Business*,” beginning on page 26.

An economic downturn, especially one affecting our primary service areas, may have an adverse effect on our financial performance.

Our success will depend on the general economic condition of the region in which we operate, which we cannot forecast with certainty. Unlike many of our larger competitors, the majority of our borrowers and depositors will be individuals and businesses located or doing business in our local banking markets. As a result, our operations and profitability may be more adversely affected by a local economic downturn than those of our larger, more geographically diverse competitors. Factors that adversely affect the economy in our local banking markets could reduce our deposit base and the demand for our products and services, which may decrease our earnings. For example, an adverse change in the local economy could make it more difficult for borrowers to repay their loans, which could lead us to incur loan losses. See “*Proposed Business*,” beginning on page 26.

Because we have a high concentration of loans secured by real estate, a downturn in the real estate market could result in losses and materially and adversely affect our business, financial condition, results of operations and future prospects.

We expect that a significant portion of our loan portfolio will be dependent on real estate, and in particular, on commercial real estate. Our initial projections are for approximately 27% of our loans to be secured by commercial real estate. Factors affecting the credit quality of commercial real estate loans include tenant

vacancy rates and the quality of management of the property. The real estate collateral provides an alternate source of repayment in the event of default by the borrower and may deteriorate in value during the time the credit is extended. An adverse change in the economy affecting values of real estate generally or in our primary markets specifically could significantly impair the value of our collateral and our ability to sell the collateral upon foreclosure. Furthermore, it is likely that we would be required to increase our provision for loan losses. If we are required to liquidate the collateral securing a loan to satisfy the debt during a period of reduced real estate values or to increase our allowance for loan losses, our profitability and financial condition could be adversely impacted.

The initial focus of our “professional services” lending product to attorneys may be subject to risk due to legal reform and other changes in the law affecting litigation matters.

We expect that, initially, a significant portion of our “professional services” loan portfolio will consist of professional services loans to attorneys. The professional services lending to attorneys is designed to facilitate the attorneys’ special needs financing of the costs and expenses an attorney incurs on behalf of the attorney’s clients during ongoing litigation matters. An adverse change in the economy affecting litigated matters, or a change in law concerning ability of plaintiffs to bring suit, for example tort reform law, may impact the need for professional services loans, or reduce the amount of collateral available to secure professional services loans. Consequently, we could be required to increase our provision for loan losses. These events could adversely impact our profitability and financial condition.

Monetary policy and other economic factors could adversely affect our profitability.

Changes in governmental economic and monetary policies, the Internal Revenue Code and banking and credit regulations, as well as such other factors as national, state and local economic growth rates, employment rates and population trends, will affect the demand for loans and our ability to attract deposits. The foregoing monetary and economic factors, and the need to pay rates sufficient to attract deposits, may adversely affect our ability to maintain an interest margin sufficient to result in operating profits. See “*Proposed Business*,” beginning on page 26, and “*Supervision and Regulation*,” beginning on page 48.

Our common stock is not an insured deposit.

Your investment in the Bank will not be a bank deposit and will not be insured or guaranteed by the FDIC or

any other government agency. Your investment is subject to investment risk, and you must be capable of affording the loss of your entire investment.

Your share ownership may be diluted upon the exercise of warrants or stock options.

We intend to issue warrants and/or stock options to our organizers, executive officers and directors. Accordingly, if the warrants or executive officer or director stock options are exercised, your percentage share ownership will be diluted.

We could be negatively affected by changes in interest rates.

Our profitability will depend, among other things, on our net interest income, which is the difference between the income that we earn on our interest-earning assets, such as loans, and the expenses that we incur in connection with our interest-bearing liabilities, such as savings deposits or certificates of deposit. Changes in the general level of interest rates and other economic factors can affect our net interest income by affecting the spread between interest-earning assets and interest-bearing liabilities.

Changes in the general level of interest rates also affect, among other things, our ability to originate loans, the value of interest-earning assets and our ability to realize gains from the sale of such assets, the average life of interest-earning assets and our ability to obtain deposits in competition with other available investment alternatives. Interest rates are highly sensitive to many factors, including government monetary policies, domestic and international economic and political conditions and other factors beyond our control. Because fluctuations in interest rates are not predictable or controllable, we cannot assure you that we will be able to achieve positive net interest income.

Over the past year, as the Federal Reserve Board has slowly increased interest rates, the yield curve has flattened, meaning that long-term interest rates have not moved in tandem with short-term rates. Under ordinary conditions, the yield curve has a positive slope, indicating that long-term instruments pay higher yields than do short-term instruments, and that borrowers are willing to pay a premium for long-term funds. A flat yield curve, on the other hand, generally indicates uncertainty about the direction in which interest rates are moving. If this trend continues, our future net interest income, and therefore our profitability, may be adversely affected.

The determination of the offering price was arbitrary, and you may be unable to resell your shares at or above the offering price.

Because we have no operating history, we could not set our offering price of \$10.00 per share with reference to historical measures of our financial performance. Therefore, we set the offering price arbitrarily, and the exercise price of the organizer warrants and stock options was determined based on the offering price. We did not retain an independent investment banking firm to assist in determining the offering price or the exercise price of the options or warrants, and those prices bear no relationship to our assets, book value, net worth or any other recognized criteria of value. We cannot assure you that you will be able to resell any shares that you may buy in this offering at a price equal to or higher than the offering price. See “*Determination of Offering Price*,” beginning on page 21.

We do not intend to pay dividends in the foreseeable future.

Our Board of Directors intends to retain earnings to promote growth and build capital and recover any losses incurred in prior periods. Accordingly, we do not expect to pay dividends in the foreseeable future. In addition, banks are subject to certain regulatory restrictions on the payment of cash dividends. Finally, as a new bank, we are prohibited from paying dividends during the first three years of operations without seeking regulatory approval. See “*Description of Common Stock – Dividends*” on page 47.

We are subject to extensive regulatory oversight, which could restrain our growth and profitability.

Banking organizations such as ours are subject to extensive federal and state regulation and supervision. Laws and regulations affecting financial institutions are undergoing continuous change, and we cannot predict the ultimate effect of these changes. Any change in the regulatory structure or the applicable statutes and regulations may materially and adversely affect our business condition or operations or benefit competing entities that are not subject to the same regulations and supervision. For a discussion of some of the laws and regulations applicable to us, see the section titled “*Supervision and Regulation*,” beginning on page 48.

We may not be able to raise additional capital on terms favorable to us.

In the future, if we should need additional capital to support our business, expand our operations or maintain our minimum capital requirements, we may not be able to raise additional funds through the issuance of additional shares of common stock or other securities.

Even if we are able to do so, however, the sale of those additional shares could significantly dilute your ownership interest and may be made at prices lower than the price at which we are selling shares in this offering.

You will incur immediate and substantial dilution in the book value per share of any shares that you purchase in the offering.

If you purchase shares of our common stock in the offering, we expect that you will experience an immediate and substantial dilution of between \$0.78 and \$0.39 per share in the book value of your investment as a result of the approximately \$1.2 million of organizational and other pre-opening expenses, that we have incurred or expect to incur before the Bank opens for business. This means that the price you pay for the shares that you acquire in this offering will be higher than the net book value per share when the Bank opens. For more information regarding dilution, please see the section titled “*Dilution*,” beginning on page 23.

The liquidity of our common stock will be affected by its limited trading market.

Our shares will not qualify, upon issuance, for listing on any national securities exchange, and we cannot assure you that our shares will ever be listed on a national securities exchange. Because our shares will not be listed on a national securities exchange, we cannot assure you that a broadly followed, established trading market for our common stock will ever develop or be maintained. Active trading markets generally result in lower price volatility and more efficient execution of buy and sell orders. In addition, active trading markets tend to reduce the bid-ask spreads for sales transactions. The absence of an active trading market reduces the liquidity, and has an adverse effect on the market value of our shares.

Government regulation may have an adverse effect on our profitability and growth.

The Bank is subject to extensive government supervision and regulation. Our ability to achieve profitability and to grow could be adversely affected by state and federal banking laws and regulations that limit the manner in which the Bank makes loans, purchases securities, and pays dividends. These regulations are intended primarily to protect depositors, not shareholders. For example, the federal banking agencies recently issued proposed guidance to identify and manage risks associated with concentrations in commercial real estate loans. The proposal stated that a growing number of banks have high concentrations of commercial real estate loans on their balance sheets which may make the banks more vulnerable to cyclical

downturns in the commercial real estate markets. Banks with high concentrations of commercial real estate loans would be subject to greater supervisory scrutiny, and would be required to have in place risk management practices and capital levels that are appropriate in light of the risk associated with these concentrations. The final guidelines relating to concentrations in commercial real estate loans will be applicable to the Bank and may adversely affect our ability to develop and grow our commercial real estate loan portfolio.

In addition, the burden imposed by federal and state regulations may place the Bank at a competitive disadvantage compared to competitors who are less regulated. Future legislation or government policy may also adversely affect the banking industry or the Bank's operations. In particular, various provisions of the Gramm-Leach-Bliley Act eliminate many of the federal and state legal barriers to affiliations among banks and securities firms, insurance companies, and other financial services providers. We believe the elimination of these barriers may significantly increase competition in our industry.

Our bylaws, and the employment agreements of our executive officers, contain provisions that could make a takeover more difficult.

Our bylaws include provisions designed to provide our Board of Directors with time to consider whether a hostile takeover offer is in the Bank's and the shareholders' best interests. Those provisions could be utilized by our Board of Directors to deter a transaction that would provide shareholders with a premium over the market price of our shares. Those provisions include (i) provisions enabling our Board of Directors to increase the size of the board and to fill the vacancies created by the increase; and (ii) provisions establishing advance notice procedures with regard to business to be presented at a shareholder meeting or to director nominations; and (iii) provisions allowing our Board of Directors, President and Chief Executive Officer and shareholders owning 10% of our voting stock to call special meetings of our shareholders.

In addition, there are "change in control" provisions in the employment agreements of our executive officers providing for lump-sum cash payments based on the officer's base compensation. Such provisions may

discourage potential acquisition proposals and could delay or prevent a change in control, including under circumstances in which our shareholders might otherwise receive a premium over the market price of our shares. Those provisions may also have the effect of making it more difficult for third parties to cause the replacement of our current management and may limit the likelihood that our shareholders will approve transactions that they otherwise may deem to be in their best interests.

Our directors and executive officers could have the ability to influence shareholder actions in a manner that may be adverse to your personal investment objectives.

Immediately following the offering, we expect that our directors, executive officers and organizers collectively will own 295,000 shares of our common stock, which represents 19.67% of the minimum and 9.83% maximum number of shares to be sold in this offering. Additionally, we will be issuing warrants to our organizers and stock options to our executive officers and directors. If our organizers exercised all of their organizer warrants, upon such exercise, our directors, executive officers and organizers collectively would own shares representing as much as 26.97% (assuming the minimum offering of 1.5 million shares) of our then outstanding common stock. Moreover, although the director and executive officer stock options are not immediately exercisable by their terms, upon exercise of the stock options granted to our directors and executive officers, our directors, executive officers and organizers collectively would own shares representing as much as 45.34% of our then outstanding common stock (assuming the minimum offering of 1.5 million shares).

Due to their significant ownership interests, our organizers, directors and executive officers will be able to exercise significant control over the management and affairs of the Bank. For example, our organizers, directors and executive officers may be able to influence the outcome of director elections or block significant transactions, such as a merger or acquisition, or any other matter that might otherwise be approved by the shareholders. See "*Selected provisions of our articles of association and bylaws,*" beginning on page 47.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This offering circular contains forward-looking statements within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934 about us that are subject to risks and uncertainties. Forward-looking statements include information concerning our future financial performance, business strategy, projected plans and objectives. Statements preceded by, followed by or that otherwise include the words "anticipates," "believes," "estimates," "expects," "intends," "plans," "may increase," "may fluctuate" and similar expressions of future or conditional verbs such as "will," "should," "would," and "could" are generally forward-looking in nature and not historical

facts. Because forward-looking statements involve risks and uncertainties that are beyond our control, actual results may differ materially from those expected in the forward-looking statements. The most significant of these risks, uncertainties and other factors are discussed in the section entitled “*Risk Factors*,” beginning on page 12. We urge you to carefully consider these factors prior to making an investment in our common stock. However, it is not possible to foresee or identify all such factors. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this offering circular. We do not undertake any obligation to update any forward-looking statements, or to disclose any facts, events or circumstances after the date of this offering circular that may affect the accuracy of any forward-looking statement. The safe harbor provisions of section 27A of the Securities Act of 1933, as amended, and section 21E of the Securities and Exchange Act of 1934, as amended, do not apply to this offering.

THE OFFERING

General

We are offering for sale a minimum of 1,500,000 shares and a maximum of 3,000,000 shares of our common stock at a price of \$10.00 per share, for an aggregate minimum price of \$15,000,000 and an aggregate maximum price of \$30,000,000. The number of shares offered does not include shares issuable upon the exercise of warrants that we will issue to our organizers, as described below, or upon the exercise of stock options that may be granted under our stock incentive plan to executive officers and directors. See “*Management – Organizer Warrants*,” beginning on page 40 and “*Management—Stock incentive plan*,” beginning on page 42.

To participate in the offering, you must subscribe to purchase at least 1,000 shares. You may subscribe for and purchase a maximum of 75,000 shares in the offering. If you subscribe for more than 75,000 shares, we intend to reject the portion of the subscription that exceeds 75,000 shares. In our sole discretion, we may waive, in writing, the minimum or maximum subscription amounts.

In addition, our organizers are advancing to us the funds necessary to cover the expenses incurred in connection with our organization, in addition to their expending substantial time and effort in connection with our organizational activities. All of our organizers are advancing \$20,000 each to fund pre-opening expenses. We intend to fund any additional organizational and other pre-opening expenses incurred before we open for business, as well as the acquisition costs of certain fixed assets, from draws under a line of credit in the amount of \$1.5 million. All of our organizers have provided a limited guarantee on amounts drawn under the line of credit. In recognition of the substantial financial risks undertaken by the members of our organizing group, we intend to grant warrants to our organizers. Our organizers will receive a grant, in the aggregate, of 149,994 warrants for his guarantee of the line of credit and for the \$20,000 each has advanced for organizational expenses. Our Board of Directors has the discretion to increase the number of warrants issued to any organizer if the organizational and pre-opening expenses, as well as the line of credit, increase, which will in turn increase the risk of loss to the organizers. The warrants are freely transferable by the holder. The warrants will be exercisable at a price of \$10.00 per share, the initial offering price, and may be exercised within 10 years of the date that we open for business. See “*Management – Organizer Warrants*,” beginning on page 40.

Finally, in recognition of their efforts in organizing the Bank and their commitment to serve as the Bank’s initial directors, the Bank intends to grant to our directors, in the aggregate, 137,600 options to purchase shares of our common stock. The options expire at the end of 10 years following the date we open for business, and vest over a three year period following the date of grant, which is the date we open for business. The director options are non-transferable, except upon the director’s death. The director options will be exercisable at a price of \$10.00 per share.

Organizers’ Subscriptions

Our organizers, directors and executive officers intend to purchase an aggregate of approximately 295,000 shares of common stock in the offering at a price of \$10.00 per share. This represents approximately 19.67% of the minimum and 9.83% of the maximum number of shares to be sold. However, our organizers, directors or executive officers may acquire additional shares of common stock, particularly if additional subscriptions are necessary to achieve the minimum subscription level required to enable us to organize.

Offering Period

The offering period for the shares will end when all of the shares of the common stock are sold or at 5:00 p.m., Denton, Texas time on March 15, 2007, whichever occurs first. At our discretion, we may extend the offering to a

subsequent date that we determine at the time of the extension. We also reserve the right to end the offering at any time prior to March 15, 2007, if we have received subscriptions for at least 1,500,000 shares, and if we determine that the total amount of subscriptions received as of that date will provide adequate capitalization for the Bank after payment of organizational and other pre-opening expenses. The date on which this offering ends, plus any extensions of the offering, is referred to in this offering circular as the “expiration date.” We may, in our sole discretion, conduct multiple closings of the offering once the minimum offering amount is raised and we have received all required regulatory approvals to organize.

Acceptance of Subscriptions

We reserve the right to accept or reject any subscription, in whole or in part, on or before the expiration date at our sole discretion. If the offering is over subscribed, we plan to give preference to subscribers who are residents of our banking market. We also reserve the right to accept subscriptions on a first-come, first-served basis or on a prorated basis if we receive subscriptions for more than 1,500,000 shares. In addition, if the offering is over subscribed, our board of directors, in its discretion, may determine to accept the over subscriptions, up to a maximum of an additional 600,000 shares of common stock (20% of the maximum offering). If we do not accept all or a portion of a subscription, we will also return the unaccepted portion of the subscription funds, without interest earned or penalty.

Escrow

All offering proceeds received by our escrow agent, The Independent BankersBank will be deposited in an escrow account at The Independent BankersBank. The escrow agent will invest the subscription proceeds directly in, or in a mutual fund consisting solely of, United States government securities and/or in deposit accounts or certificates of deposit that are fully insured by the FDIC or another agency of the United States government. The escrow agent will not investigate the desirability or advisability of an investment in our common stock and has not approved, endorsed or passed upon the merits of our common stock. We will retain any interest earned on the subscription funds held in escrow to defray organizational expenses.

Release from Escrow

Subscription proceeds will be released from escrow to us when we have accepted subscriptions and received subscription proceeds for an aggregate of at least 1,500,000 shares of common stock and receive all required regulatory approvals. As discussed below under “*The Offering – Submission of Proxy*,” on page 20, when we file our articles of association with the Texas Department of Banking, we can only have authorized the number of shares that were subscribed for. We cannot have authorized but “unissued” shares. Consequently, once we obtain subscriptions for 1,500,000 shares and receive all required regulatory approvals, we will conduct a “first closing” of our offering, release subscription proceeds from escrow, and file our initial articles of association. We will then amend our articles of association to increase our authorized shares and continue our offering until we obtain the maximum offering subscriptions or March 15, 2007. Once that point is reached, we will conduct a “second closing” of our offering and release the additional subscription proceeds from escrow.

We expect, but cannot assure you, that we will receive all required regulatory approvals during the second quarter of 2007, and expect to open for business during the third quarter of 2007. If we have not accepted subscriptions and received subscription proceeds for an aggregate of at least 1,500,000 shares of common stock by the expiration date for the offering, or if we fail to receive all required approvals to open, then the subscription agreements will be of no further force or effect and the full amount of all subscription funds will be returned to the subscribers within ten business days after the expiration date, without penalty or interest earned thereon.

Plan of Distribution

We plan to market our shares by delivering a copy of this offering circular to potential investors. In addition, we intend to conduct informational meetings for prospective investors. The offering is not underwritten. We will offer and sell the common stock through our organizers, officers and directors, subject to compliance with applicable federal and state securities laws. Our organizers, officers and directors will be assisted in their offering by Bank Capital Group, LLC, a consulting group that assists with capital raises for *de novo* banks. Bank Capital Group, LLC will receive a consulting fee of approximately \$130,000 (in addition to other consulting fees it will receive, see “*Summary - Organizational Expenses*” on page 11) for their assistance with the Bank’s capital offering. No organizer, officer, or director will receive

any commission or other compensation in connection with these activities. We will, however, reimburse reasonable out-of-pocket expenses incurred by our organizers, officers, and directors in the offering.

We intend to sell most of our shares to individuals and businesses in the Denton and Dallas, Texas areas who share our desire to support a new local community bank. Our organizers will also offer our common stock to some of their personal contacts outside of this area. We may also sell shares to investors outside of our market area who become aware of our offering and contact us. We will contact prospective investors through a combination of telephone calls, mail, and personal visits and meetings.

Submission of Proxy

Attached as Appendix B to this offering circular is a proxy sheet that allows you to direct Benjamin A. Goff or Randall L. Robinson, as proxies, to consent to: (i) approve the amendment increasing the number of shares of the Bank upon opening to 10,000,000 shares; (ii) approve the stock incentive plan; and (iii) to elect the Board of Directors with the members described in this offering circular. The proxies will only provide consent after the following events have occurred: (i) receipt of a certificate of authority from the TDB and receipt of deposit insurance from the FDIC; (ii) breaking of the escrow holding subscription funds; and (iii) opening of the Bank.

We are asking that you execute the proxy for several reasons. First, the Texas Constitution requires that the initial articles of association of a Texas-chartered bank authorize the exact number of shares for which it receives subscriptions. In order to issue the warrants to organizers, as well as stock options to certain executive officers and directors and consultants, we must increase the number of authorized shares in our articles of association. Since we cannot file our initial articles of association with the TDB with authorized but unissued shares, we must immediately amend our articles of association to increase our authorized shares after the Bank opens.

Secondly, federal law requires that shareholders of a corporation approve a stock incentive plan providing for the grant of incentive stock options within twelve months after adoption of such stock incentive plan. The Bank intends to adopt a stock incentive plan providing for the grant of incentive stock options and is requesting that subscribers direct the proxy to approve the adoption of such plan upon the occurrence of the three conditions described above. The proxy sheet will direct the proxies to approve the reservation of 295,000 shares of common stock of the Bank specifically for purposes of granting stock options, all of which may be granted as incentive stock options. For additional information see the section titled "*Management - Stock Incentive Plan*" at page 42 or the form of the stock incentive plan, attached hereto as Appendix C.

Finally, our bylaws require that our shareholders elect our Board of Directors. We are asking that you direct the proxy to elect the Board of Directors as set forth in this offering circular. For additional information on the Board of Directors please see the sections titled "*Summary - Executive officers, directors, and organizers*" at page 6 and "*Management*" at page 33.

We can waive the requirement contained in this offering circular that all subscribers execute the proxy sheet, as Texas law requires only that a majority of the shareholders vote to approve the stock option plan and the Board of Directors, and that two-thirds of the shareholders vote to approve the amendment to our articles of association. However, we retain the right to refuse any subscriptions to the extent they are not accompanied by an executed proxy sheet.

How to Subscribe

Each prospective investor who (together with the investor's affiliates) desires to purchase 1,000 or more shares should do the following:

- complete, date and sign the subscription agreement that accompanies this offering circular;
- make a check payable to "The Independent BankersBank – Escrow Account for Access 1st Capital Bank" in an amount equal to the subscription price of \$10.00 times the number of shares for which you have initially subscribed;
- execute the proxy sheet attached to this offering circular; and

- deliver the completed subscription agreement, check and executed proxy sheet to us at the following address:

BY FIRST CLASS MAIL OR HAND DELIVERY:

The Independent BankersBank, Escrow Account for Access 1st Capital Bank
 c/o Access 1st Capital Bank (Proposed)
 210 South Elm Street
 Suite C
 Denton, Texas 76201

WHEN YOUR SUBSCRIPTION AGREEMENT IS RECEIVED BY THE BANK, IT WILL BECOME BINDING AND WILL BE IRREVOCABLE.

If we are unable to sell at least 1,500,000 shares of common stock or fail to receive the required regulatory approvals on or before the expiration date, our escrow agent will promptly return all subscription funds to investors. If you have any questions about the offering or how to subscribe, please call Randall L. Robinson, our President and Executive Officer, at (817) 996-5076. His current email address is RandyLRobinson@yahoo.com. You should retain a copy of your subscription agreement for your records.

DETERMINATION OF OFFERING PRICE

The offering price of our common stock was determined arbitrarily by our organizers and does not bear any relationship to our assets, book value, net worth or other recognized criteria of value. Rather, our organizers considered the amount of funds necessary to initially capitalize the Bank based upon our proposed business plan, including our initial legal lending limits, regulatory capital requirements and the amount of capital estimated as necessary to provide operating capital and to sustain any losses that we incur during our initial years of operation. We did not retain an independent investment banking firm to assist us in establishing the offering price. The offering price does not necessarily reflect the fair market value of our common stock, and we cannot assure you that any shares that you purchase may be resold at or above the offering price. The exercise price of the warrants to be issued to our organizers and was determined based on the price of the common stock offered by this offering circular.

USE OF PROCEEDS

We anticipate that the gross cash proceeds of our offering will be a minimum of \$15,000,000 and a maximum of \$30,000,000. The following table summarizes our anticipated use of the proceeds, based on the sale of the minimum and maximum number of shares being offered by this offering circular. These figures are estimates based on information currently available. Accordingly, actual results may vary.

	Minimum offering		Maximum offering	
Gross cash proceeds from offering	\$ 15,000,000	100.0%	\$30,000,000	100.0%
Repayment of pre-opening extensions of credit	1,168,800	7.8%	1,168,800	3.9%
Loans to customers	11,500,000	76.7%	23,000,000	76.7%
Loans to customers, investments, and other general corporate purposes	2,331,200	15.5%	5,831,200	19.4%
Remaining proceeds	\$ 0	0.00%	\$ 0	0.00%

Line of Credit

The Independent BankersBank has agreed to extend to us a working capital line of credit in the amount of \$1.5 million, of which we plan to use \$1.2 million for organizational expenses and \$300,000 furniture, fixtures and equipment for our Bank. All of our organizers are providing a limited guarantee with respect to the line of credit, who in the aggregate will receive a grant of 149,994 warrants for their guarantee of the line of credit. These guarantees would be triggered in the event that we are unable to repay the advances under the line of credit. Any draws under the primary line of credit bear interest at Prime Rate minus 0.5%, with interest payable monthly. The principal of the working line of credit, along with any unpaid interest, is due upon capitalization of the Bank. We intend to draw on the line of credit to

repay the direct cash advances made by our organizers and, as needed, to cover additional organizational and other pre-opening expenses incurred prior to opening the Bank from draws on the line of credit.

We intend to repay the draws on the pre-opening line of credit with the proceeds of the offering. However, because we have no material operations or assets, other than those amounts advanced or loaned to us to be expended during the organizational process, we do not expect to have the ability to repay the draws under the line of credit unless we complete the offering and open for business. If we are unable to sell at least 1,500,000 shares of common stock or fail to receive all regulatory approvals required to open, The Independent BankersBank would be entitled to pursue our organizers under the limited personal guarantees.

Organizational Expenses

We have incurred and will continue to incur, until we open for business, substantial organizational and other pre-opening expenses. Through December 31, 2006, we have incurred approximately \$447,818.33 in organizational and other pre-opening expenses. These expenses include regulatory application fees, consulting fees to Bank Capital Group, LLC, to provide guidance and advice on the chartering process, including drafting of regulatory applications, and as well as with respect to capital raising assistance, legal and professional fees, consulting fees to proposed management, consulting fees to external consultants, rent, utilities, interest expense and other office expenses. Although we expect to incur approximately \$1.2 million in total organizational and pre-opening expenses prior to the time that we open for business, our actual expenditures may be considerably in excess of this amount because it may take us longer to raise the required level of capital, there may be unanticipated changes in our management team or organizers or other circumstances could arise of which we are currently unaware.

Our projected total organizational and pre-opening expenses are as follows:

<u>Expenses</u>	
Legal	\$ 100,000
Consulting	265,000
Salaries	607,000
Marketing Development, Logo, etc.	90,000
Occupancy and overhead	40,000
Bank Application Fee	10,000
Miscellaneous ⁽¹⁾	56,800
Estimated total pre-opening expenses	<u>\$ 1,168,800</u>

(1) Miscellaneous includes marketing research, offering expenses, and promotional event expenses.

CAPITALIZATION

The following table shows our capitalization as of December 31, 2006, and our pro forma capitalization, as adjusted to give effect to the receipt of the net proceeds from the sale of a minimum of 1,500,000 shares and a maximum of 3,000,000 shares of common stock in the offering. The number of shares shown as outstanding after giving effect to the offering, and the book value of those shares, do not include shares of common stock issuable upon the exercise of the warrants to be issued to our organizers and directors, respectively, or stock options issuable under our stock incentive plan. For additional information regarding the number and terms of such warrants and options, see “*Organizer Warrants*” beginning on page 40, and “*Management – Stock Incentive Plan*,” beginning on page 42.

Shareholders' equity	As of December 31, 2006		
	Actual	Minimum As Adjusted	Maximum As Adjusted
Common stock, \$5.00 par value, 0, 1,500,000 and 3,000,000 shares, respectively, issued and outstanding as adjusted	\$ 0	\$ 7,500,000	\$ 15,000,000
Additional paid-in capital		7,500,000	15,000,000
Accumulated pre-opening deficit ^{(1), (2)}	(\$447,818)	(1,168,800)	(1,168,800)
Total shareholders' equity	(\$447,818)	\$ 13,831,200	\$ 28,831,200
Book value per share ⁽³⁾	\$ 0	\$ 9.22	\$ 9.61

Notes to Capitalization Table

- (1) The accumulated pre-opening deficit in the "Actual" column reflects organizational expenses incurred through December 31, 2006, consisting primarily of consulting fees.
- (2) The accumulated pre-opening deficit in the "As Adjusted" columns reflects the estimated organizational expenses of approximately \$1,168,800. These expenses are more fully described in the section titled "Use of Proceeds – Organizational Expenses," beginning on page 22. Actual expenses may be higher and may therefore increase the deficit accumulated during the pre-opening stage and further reduce shareholders' equity.
- (3) After giving effect to the receipt of the net proceeds from this offering, there is an immediate dilution in the book value per share of \$0.78 if we sell 1,500,000 shares and \$0.39 if we sell 3,000,000 shares, resulting from the recognition of organizational expenses and other pre-opening expenses, divided by the applicable number of shares.

DILUTION

Net book value per share is determined at any date by subtracting our total liabilities from total book value of our assets and dividing the difference by the number of shares of our common stock deemed to be outstanding as of that date. After giving effect to the issuance of between 1,500,000 and 3,000,000 shares of our common stock in this offering at the offering price of \$10.00 per share, and after our estimated pre-opening expenses of \$1.2 million, value is expected to be approximately \$13.8 million, or \$9.22 per share, assuming the minimum offering, or approximately \$28.8 million, or \$9.61 per share, assuming the maximum offering. Assuming the minimum offering, this represents an immediate decrease in pro forma net book value of \$0.78 per share with respect to any shares purchased in this offering. Assuming the maximum offering, this represents an immediate decrease in the pro forma net book value of \$0.39 per share with respect to any shares purchased in this offering.

The following table illustrates the per share dilution with respect to shares issued in this offering:

	Minimum Offering	Maximum Offering
Offering price per share	\$ 10.00	\$ 10.00
Pro forma as adjusted net book value per share after the offering	9.22	9.61
Dilution per share to new investors in this offering	\$ 0.78	\$ 0.39

MANAGEMENT'S DISCUSSION AND ANALYSIS OF PLAN OF OPERATIONS

The financial statements of Access FR Capital, Inc., the temporary corporation we have created to facilitate the Bank's organization, are included in this offering circular and provide additional information relating to the following discussion of our financial condition. To date, our main activities have been:

- seeking, interviewing and selecting our organizers, directors and officers;
- preparing our business plan;
- applying for a bank charter;
- applying for FDIC deposit insurance; and

- raising equity capital through this offering.

To date, we have funded our operations from cash advances of \$20,000 each made to us by our organizers and from draws under a \$1.5 million line of credit extended to us by The Independent BankersBank. We intend to repay the direct cash advances, and fund any additional organizational and other pre-opening expenses, from draws under the line of credit. We expect to incur approximately \$1.2 million in organizational and other pre-opening expenses before we open for business. These expenses are described more fully in the section titled “*Use of Proceeds – Organizational Expenses,*” beginning on page 22. In the event that we do not open, our organizers will bear the risk of loss with respect to any direct cash advances that have not been repaid and may be pursued by The Independent BankersBank with respect to any funds advanced under the pre-opening line of credit.

We have engaged Bank Capital Group, LLC, a consulting firm, to assist us with all aspects of organizing our bank. They have assisted us in organizational group development, identifying management, site selection, development of the application and this offering circular. Bank Capital Group, LLC will also assist our organizers, officers, and directors with their “best efforts” in raising the Bank’s required minimum capital of \$15,000,000. For all of their services, Bank Capital Group, LLC will receive a total consulting fee of approximately \$255,000.

Through Bank Capital Group, LLC, we have worked with Bank Resources, Inc., a consulting firm, to assist us in the preparation of our regulatory applications, including preparing an economic assessment of the market area, working with our management team to develop a business plan and pro forma financial information for the application, meeting with our organizers and proposed directors to discuss their respective roles and assisting them in completing their portions of the application and preparing the complete Interagency Charter and Federal Deposit Insurance Application that was filed with the regulatory agencies. Following the filing of the application, Bank Resources has assisted us in providing responses to matters related to the application raised, and requests for additional information made, by the regulatory agencies. Bank Resources, Inc. is paid by Bank Capital Group, LLC.

We anticipate that we will receive approval as a bank in organization in the second quarter of 2007, but we may not be able to commence banking operations until the third quarter of 2007. During the period between regulatory approval and the commencement of banking operations, we will be taking actions to satisfy the conditions to regulatory approval imposed by the TDB and FDIC, including raising the capital necessary to open the Bank. In addition, we will be engaged in such activities as the lease of our temporary facility, purchase of real estate and construction build-out of our permanent banking offices, the recruitment and training of staff, preliminary marketing, and the installation of our computer systems and operating software. We expect to raise the capital required to open the Bank within approximately four months following the filing of our application, and expect to receive final approval of our charter application and certification of insurance of accounts within about the same time we complete our offering. In any event, we do not expect to receive final approval to open for business before we have raised at least the minimum offering amount of \$15,000,000.

Plan of Operations

We intend to establish our main office in Denton, Texas. Currently, the organizers are operating from Access FR Capital, Inc., 210 South Elm Street, Suite C, Denton, Texas 76201. The Bank will initially operate out of a temporary modular facility located on 1.8 acres at 320 Eagle Drive, Denton, Texas 76201, where our permanent facility will be constructed. The location of our main office is the far southwest corner of the designated “Downtown Development Area” in Denton, Texas. This area contains the Denton County courthouse and Denton County and City of Denton government offices and services. This location was chosen due to its high visibility and easy access. Simultaneously with the opening of our Denton headquarters, we will open a LPO in north Dallas, Texas. The LPO will be used to develop and test branching strategies. We anticipate that during our first year of operations, the LPO will be converted into a full-service branch location. The exact location of the north Dallas LPO has not yet been decided upon.

We expect to use a portion of proceeds of the offering to secure our temporary banking facility, purchase real estate and construct our permanent banking facility and LPO, and to purchase furniture, fixtures and equipment. Management believes that these facilities will be adequate to meet our initial needs. We expect to initially hire up to 13 full-time equivalent employees to staff our main banking office.

We will use the remainder of our capital for customer loans, investments and other general banking purposes. We believe that the minimum initial offering proceeds will enable us to maintain a leverage capital ratio, which is a measure of core capital to average total assets, in excess of 8% for the first three years of operations, as required by our

regulators. See *“Supervision and Regulation”* beginning on page 48. Accordingly, we do not anticipate raising additional capital during the 12-month period following the offering. However, we cannot assure you that we will not need to raise additional capital within the next three years or over the next 12-month period.

We have not fully developed the products and services that we will initially offer our customers and anticipate engaging in additional product research and development during the 12-month period following the offering. For more information regarding our products and services, please see *“Proposed Business – Business strategy”* on page 28. For more information regarding our use of offering proceeds, please see *“Use of Proceeds”* beginning on page 21.

Financial Results

Through December 31, 2006, our net loss was \$447,818.33. We expect to incur a net loss of approximately \$1.2 million, through our anticipated opening date, which is expected to occur during the third quarter of 2007. This loss is attributable to the organizational expenses described in the section titled *“Use of Proceeds – Organizational Expenses,”* beginning on page 22. Our actual loss may be higher if our organizational expenses exceed our pre-opening budget.

Other Accounting Matters

In December 2004, the Financial Accounting Standards Board (FASB) published SFAS Statement No. 123 (revised 2004), *“Share-Based Payment”* (*“SFAS 123R-Revised”*). SFAS 123R-Revised requires that the compensation cost relating to share-based payment transactions, including grants of employee stock options, be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. SFAS 123R – Revised permits entities to use any option-pricing model that meets the fair value objective in the Statement. SFAS 123R – Revised is effective beginning fiscal year 2006. SFAS 123R – Revised is effective beginning fiscal year 2006. Although the impact of SFAS 123R – Revised on us will depend upon various factors, among them being our future compensation strategy, we expect SFAS 123R – Revised to reduce our earnings compared to if SFAS 123R – Revised were not in effect.

Interest Rate Sensitivity and Liquidity

Because we have been in the organizational stage, we have no results of operations to present at this time. When we begin operations, net interest income, our expected primary source of earnings, will fluctuate with significant interest rate movements. Our profitability will depend substantially on our net interest income, which is the difference between the interest income earned on our loans and other assets and the interest expense paid on our deposits and other liabilities. A large change in interest rates may significantly decrease our net interest income and eliminate our profitability or such a change could adversely impact the credit quality of our loan portfolio. Most of the factors that cause changes in market interest rates, including economic conditions, are beyond our control. While we intend to take measures to minimize the effect that changes in interest rates will have on our net interest income and profitability, these measures may not be effective. To lessen the impact of these fluctuations, we intend to structure the balance sheet so that repricing opportunities exist for both assets and liabilities in roughly equal amounts at approximately the same time intervals. Imbalances in these repricing opportunities at any point in time constitute interest rate sensitivity. To address the impact of changing rates on credit quality, we will incorporate expected changes in rates into our credit underwriting. We also expect to offer primarily adjustable rate loans to our commercial customers.

Interest rate sensitivity refers to the responsiveness of interest-bearing assets and liabilities to change in market interest rates. The rate sensitive position, or *“gap,”* is the difference in the volume of rate sensitive assets and liabilities at a given time interval. The general objective of gap management is to actively manage rate sensitive assets and liabilities in order to reduce the impact of interest rate fluctuations on the net interest margin. We will generally attempt to maintain a balance between rate sensitive assets and liabilities as the exposure period is lengthened to minimize our overall interest rate risk. We will regularly evaluate the balance sheet’s asset mix in terms of several variables: yield, credit quality, appropriate funding sources and liquidity.

To effectively manage the balance sheet’s liability mix, we plan to focus on expanding our deposit base and converting assets to cash as necessary. As we continue to grow, we will continuously structure our rate sensitivity position in an effort to hedge against rapidly rising or falling interest rates. Our Investment/Asset-Liability Committee will meet regularly to develop a strategy for the upcoming period.

Liquidity represents the ability to provide steady sources of funds for loan commitments and investment activities, as well as to maintain sufficient funds to cover deposit withdrawals and payment of debt and operating obligations. We can obtain these funds by converting assets to cash or by attracting new deposits. Our ability to maintain and increase deposits will serve as our primary source of liquidity.

To date, our primary source of liquidity to meet current obligations has been direct cash advances of \$20,000 each from our organizers and funds drawn on a line of credit in the amount of \$1.5 million with The Independent Bankers Bank. As of December 31, 2006, we had cash on hand of approximately \$90,779.80. We believe that our cash on hand and available credit will be adequate to meet the obligations that we expect to incur until the time that we open for business. If base interest rates, such as the prime rate, increase, the costs to service our line of credit will increase due to rising interest expenses.

Other than this offering, we know of no trends, demands, commitments, events or uncertainties that should result in or are reasonably likely to result in our liquidity increasing or decreasing in any material way in the foreseeable future.

Access FR Capital, Inc.

Access FR Capital, Inc. has been formed solely for the benefit of facilitating the organizational process for the Bank. It was incorporated to enable certain agreements and other contracts to be entered into for the benefit of the Bank prior to the time that the Bank had legal capacity to contract. Accordingly, Access FR Capital, Inc. serves as the borrower on the pre-opening line of credit. Access FR Capital, Inc. is also making payments for the benefit of the Bank to the various attorneys, accountants and consultants providing services to the Bank during the organizational process. Access FR Capital, Inc. has not issued, and does not expect to issue, any shares of its common stock, and is expected to be dissolved when the Bank opens for business.

PROPOSED BUSINESS

Regulatory Applications

On November 27, 2006, we filed an application with the TDB to organize as a Texas state bank and an application with the FDIC for federal deposit insurance. The TDB officially accepted our application on December 29, 2006. Bank Capital Group, LLC acted as an advisor and consultant with respect to both applications and certain exhibits in the applications. Each of these applications is pending. In order to receive final approval of our application for deposit insurance from the FDIC, the FDIC will have to reach a favorable determination with respect to each of the following factors: (i) our likely financial condition; (ii) the adequacy of our capital structure; (iii) our future earnings prospects; (iv) the general character and fitness of our management team; (v) the risk we present to the deposit insurance fund; (vi) the convenience and needs of the community we will serve; and (vii) whether our corporate powers are consistent with the purposes of applicable statutes and regulations. In order to receive final approval of our charter application with the TDB, the TDB will have to reach a favorable determination with respect to certain factors, including but not limited to: (i) that the convenience and needs of the community will be promoted by establishment of the Bank; (ii) that the organizational and capital structure, and the amount of initial capital, is adequate for the Bank's business plan; (iii) that the anticipated volume and nature of the business of the Bank indicates a reasonable probability of success and profitability based upon the Bank's primary service area; and (iv) the Bank's proposed officers and directors as a group have sufficient banking experience, ability, standing, competence and integrity to justify a belief that the Bank will operate in compliance with the law and that the success of the Bank is probable.

In order to receive a license to begin business, we will be required to satisfy the conditions of the regulatory approval orders, which we expect will include, among other things, (i) raising capital of at least \$15,000,000 million, before organizational and other pre-opening expenses; and (ii) implementing appropriate banking policies and procedures. We expect to receive all necessary final regulatory approvals in the second quarter of 2007 and begin our banking operations during the late second or third quarter of 2007.

Market Opportunities

Primary service area.

General. Our primary service area will be Denton, Texas and the surrounding community, and will consist specifically of the following Denton-area zip codes: 76201, 76203, 76205 and 76208. Our primary service area also may

include other zip codes in the Denton area. We intend to serve this market from our main office located at 320 Eagle Drive, Denton, Texas. This location is near downtown Denton, Texas. We will be oriented toward both commercial and consumer loan and deposit gathering. The organizers believe that we will draw most of our customer deposits and conduct most of our lending transactions from within our primary service area. According to data obtained from the Claritas, a demographic information database, Denton, Texas and the surrounding area has recently experienced large increases in population and household growth. In the last six years, our primary service area experienced a 28.7% increase in its population. By comparison, over the same period, the State of Texas experienced a 10.6% increase. In 2006, the primary service area had an overall population of approximately 114,306, up from 88,820 in 2000. This population growth has begun to attract businesses to the area and led to growth in the local service economy, and, while we cannot be certain, we expect this trend to continue. We believe that the community will enthusiastically welcome and support a new commercial bank that is locally operated and that is owned by a broad base of local shareholders.

Local Economy. We believe that our proposed banking market represents a unique market with a diversified and growing customer base. We also believe that the primary service areas present an environment that will support our formation and growth. As a community bank, we will be designed to serve the needs of the small business owners, locally-owned businesses and individual residents within this growing economy. Within our primary service area, there has been a large amount of residential development in recent years, causing the number of households in the area to increase rapidly. Data from Claritas shows that from 2000 to 2006, the number of households in our primary service area grew 29.6%, as compared to 10.5% for the State of Texas. Total households in our primary service area are 43,761, up from 33,768 in 2000. The median household income in our primary service area was \$42,772 for 2006, with an average of \$59,433. The median age of the residents in our primary service area was 30 years of age in 2006. In our primary service area, 60.3% of the residents are under the age of 34.

Competition. The market for financial services is rapidly changing and intensely competitive and is likely to become more competitive as the number and types of market entrants increase. We will compete in both lending and attracting funds with other commercial banks, savings and loan associations, credit unions, consumer finance companies, pension trusts, mutual funds, insurance companies, mortgage bankers and brokers, brokerage and investment banking firms, asset-based non-bank lenders, government agencies and certain other non-financial institutions, including retail stores, that may offer more favorable financing alternatives than us.

According to information obtained from the FDIC's website (www.fdic.gov), as of June 30, 2005 (the most recent date for which data was available), there were 13 commercial banking institutions with 41 offices in the 76201, 76203, 76205 and 76208 zip codes, which comprise a significant portion of our primary service area in Denton, Texas. These institutions held approximately \$1.275 billion in total deposits. A large percentage of the deposits held in financial institutions in our primary banking market are attributable to branch offices of large in-state banks and of large out-of-state banks. Large commercial banks controlled over 66% of the total banking market as of June 30, 2005 (excluding credit unions, brokerage firms, mutual funds, and other non-traditional banking institutions). The community bank sector controlled about 34% of the total banking market as of June 30, 2005. We believe that banks headquartered outside of our primary service areas often lack the consistency of local leadership necessary to provide efficient service to individuals and small and locally owned business customers. Through our local ownership and management, we believe that we will be uniquely situated to efficiently provide these customers with loan, deposit and other financial products tailored to fit their specific needs. We believe that we can compete effectively with larger and more established banks through an active business development plan and by offering local access, competitive products and services and more responsive customer service.

The market share of existing commercial banking institutions in the Denton market area is shown on the table below (all data derived from the FDIC's website (www.fdic.gov) as of June 30, 2005):

Institution	Headquarters Location	Market Share
Wells Fargo Bank, N.A.	South Dakota	24.15%
JPMorganChase Bank, N.A.	Ohio	15.73%
Northstar Bank of Texas	Texas	14.44%
Bank of America, N.A.	North Carolina	10.70%
Compass Bank	Alabama	9.18%
Guaranty Bank	Texas	6.62%
PointBank	Texas	4.47%

Institution	Headquarters Location	Market Share
Inwood National Bank	Texas	4.13%
First United Bank & Trust Company	Oklahoma	4.04%
First Bank	Missouri	3.17%
First State Bank	Texas	2.18%
Wachovia Bank National Association	North Carolina	0.92%
First National Bank of Texas	Texas	0.27%

Our organizers believe that the growing concentration of deposits among the larger commercial banking institutions in each zip code of the primary market area tends to limit customers' banking options, and that this level of concentration justifies the introduction of another competitive element in the market area. Our organizers believe that the Bank can gather \$80 million to \$120 million in deposits by gathering a moderate percentage of the existing \$1.275 billion of deposits held by financial institutions and the growth of such deposits in our primary market area, plus a portion of the growth in this area.

Proposed LPO/Branch Location.

General. Our proposed LPO and eventual branch location's service area will be an area located in north Dallas, Texas, and will consist specifically of the following zip codes: 75001, 75240, 75244, 75248, 75251 and 75254. According to data obtained from the Claritas, a demographic information database, this particular service area contains commercial, professional and retail business establishments, as well as households with higher than average household income. For 2006, the average household income in this service area was \$86,074, as compared to \$63,671 for the State of Texas in general. In addition, 25% of the occupations in the area are professionals – lawyers, doctors, and accountants – and 20% are in management. Our organizers believe that these demographics will enable the Bank to implement its proposed “professional services loans” and provide additional personalized banking services to both the businesspersons and individuals residing within the service area

Competition. According to information disclosed on the FDIC's website (www.fdic.gov), as of June 30, 2005 (the most recent date for which data was available), there were 41 commercial banking institutions with 75 offices in the 75001, 75240, 75244, 75248, 75251 and 75254 zip codes, which comprises our proposed market area for the Dallas LPO and eventual branch location. These institutions held approximately \$4.162 billion in total deposits. Despite the large amount of financial institutions located in our Dallas service area, most of which are headquartered outside of Dallas (and the State of Texas in general), our organizers believe that the proposed niche market for our Dallas location, the “professional services loans,” will enable our proposed Dallas location to perform well.

Business Strategy

Management Philosophy. Our organizers believe that the recent wave of bank mergers has caused many customers to be saddened by the loss or change in “their bank,” and a move to “impersonal” and “inflexible” banking institutions. To counter this trend and these sentiments, we will be a full-service commercial bank dedicated to providing superior customer service to the individuals and businesses in our community. We will offer an array of financial products while emphasizing prompt, personalized customer service. We believe that this philosophy, encompassing the service aspects of community banking, will distinguish us from our competitors. To this end, we will endeavor to hire the most qualified and experienced people in the market who share our commitment to customer service. We believe that there is an opportunity for a broadly-held, locally-owned and locally-managed community bank to acquire a significant market share by offering an alternative to the less personal service offered by many large banks. Accordingly, we will implement the following operating and growth strategies.

Operating Strategy. In order to achieve the level of prompt, responsive service that we believe will be necessary to attract customers and to develop our image as a local bank with a community focus, we will employ the following operating strategies:

- *Experienced Senior Management.* Our senior management team possesses extensive experience in the banking industry. Combined, the senior members of our proposed management team, Benjamin A. Goff, Randall L. Robinson and Carolyn P. Gardner have more than 77 years of combined banking and financial services related experience.

- *Quality Employees.* We will strive to hire highly trained and seasoned staff. We plan to train our staff to answer questions about all of our products and services so that the first employee that any customer encounters can resolve any questions the customer may have.
- *Community-oriented Board of Directors.* All of our proposed directors are either experienced bankers or local business and community leaders. Many of our directors are residents of our primary service areas, and most have business ties to our primary service areas. Such ties enable them to be sensitive and responsive to the needs of the community. Additionally, the Board of Directors represents a wide variety of business experience and community involvement. We expect that the directors will bring substantial business and banking contacts to us.
- *Well-situated Site.* Our main office will be well-located in close proximity to major traffic arteries. The main office location will be located at 320 Eagle Drive, Denton, Texas. Our permanent location is the far southwest corner of the designated "Downtown Development Area" in Denton, Texas. This area contains the Denton County courthouse and Denton County and City of Denton government offices and services.
- *Individual Customer Focus.* We will focus on providing individual service and attention to our target customers, which include small business owners and professionals, locally-owned larger businesses and individual customers. Using a team approach, our employees, officers and directors will become familiar with our customers on an individual basis, and we will be able to respond to credit requests more quickly and be more flexible in approving complex loans based on collateral quality and personal knowledge of the customer.
- *Officer and Director Call Program.* We intend to implement an active officer call program to promote our philosophy. The purpose of this call program will be to visit prospective customers and to describe our products, services and philosophy and attending various business and community functions. All of our proposed directors have extensive contacts in our market areas. We also intend to form contacts with local professionals to whom and from whom banking services can be referred.
- *Marketing and Advertising.* We expect to utilize a targeted marketing program in our market areas. In its early years, the Bank does not intend to use mass media, such as television and radio. Instead, the Bank intends to market through the local newspaper and targeting mailings, as well as through brochures, counter pieces, and statement stuffers. We intend to develop our image as a locally-owned and locally-operated bank with an emphasis on quality service and personal relationships.

Growth Strategy. Because we believe that the growth and expansion of our operations will be significant factors in our success, we plan to implement the following growth strategies:

- *Capitalize on Our Community Orientation.* We plan to capitalize on our position as an independent, locally-owned community bank to attract individuals and small and locally-owned large business customers that may be underserved by larger banking institutions in our market area, which is a growing area. The shareholder base and organizers of the Bank will be expected to make strong contributions in this area.
- *Emphasize Local Decision-Making.* We will emphasize local decision-making by experienced bankers. This will help us attract local businesses and service-minded customers.
- *Attract Experienced Lending Officers.* We will seek to hire experienced, well-trained lending officers capable of soliciting loan business immediately. By hiring experienced lending officers, we will be able to grow much more rapidly than we would if we hired inexperienced lending officers.
- *Offer Fee-Generating Products and Services.* Our range of services, pricing strategies, interest rates paid and charged and hours of operation will be structured to attract our target customers and increase our market share. We will strive to offer the small business person, professional, entrepreneur and consumer the best loan services available while charging competitively for these services and utilizing technology and strategic outsourcing to increase fee revenues.

Lending Services

Lending Policy. We will offer a full range of lending products, including a broad range of commercial and consumer loans to small business owners, professionals, locally-owned larger businesses and retail and individual consumer clients. We understand that we will be competing for these loans with competitors who are well established in our primary market areas and have greater resources and lending limits. As a result, we may initially have to offer more flexible pricing and terms to attract borrowers. We feel a quick response to credit requests will provide us a competitive advantage. Our lending policies, however, do not provide for any interest-only mortgages or loans that are highly speculative, sub-prime, or that have high loan-to-value ratios.

Our loan approval policies will provide for various levels of officer lending authority. When the amount of total loans to a single borrower exceeds that individual officer's lending authority, an officer with a higher lending limit or our Loan Committee will determine whether to approve the loan request. We will not make any loans to any of our directors or executive officers unless our Board of Directors, excluding the interested party, first approves the loan, and the terms of the loan are no more favorable than would be available to any comparable borrower.

Lending Limits. The Bank's lending activities will be subject to a variety of lending limits. Differing limits apply based on the type of loan or the nature of the borrower, including the borrower's relationship to the Bank. In general, however, the Bank will be able to loan any one borrower a maximum amount equal to either:

- 25% of the Bank's capital and certified surplus; or
- 40% of its capital and surplus if the amount that exceeds 25% is secured by readily marketable collateral, as determined by reliable and continuously available price quotations.

The dollar amounts of our lending limits will increase or decrease as the Bank's capital increases or decreases as a result of its earnings (provided we choose to certify part of such earnings as "certified surplus") or losses, among other reasons.

Credit Risks. The principal economic risk associated with each category of loans that we expect to make is the creditworthiness of the borrower. Borrower creditworthiness is affected by general economic conditions and the strength of the relevant business market segment. General economic factors affecting a borrower's ability to repay include the level of interest rates, inflation and employment rates, as well as other factors affecting a borrower's customers, suppliers and employees. The well-established financial institutions in our primary service areas are likely to make proportionately more loans to medium- to large-sized businesses than we will make. Many of our anticipated commercial loans will likely be made to small- to medium-sized businesses that may be less able to withstand competitive, economic and financial pressures than larger borrowers.

Real Estate Loans. We will make commercial real estate loans, construction and development loans and residential real estate loans. The following is a description of each of the major categories of real estate loans that we expect to make and the anticipated risks associated with each class of loan.

- *Commercial Real Estate.* Commercial real estate loan terms generally will be limited to five years or less, although payments may be structured on a longer amortization basis. Interest rates may be fixed or adjustable, although rates typically will not be fixed for a period exceeding 12 months. We will generally charge an origination fee for our services. We will also require personal guarantees from the principal owners of the property supported by a review by our management of the principal owners' personal financial statements. Risks associated with commercial real estate loans include fluctuations in the value of real estate, new job creation trends, tenant vacancy rates and the quality of the borrower's management. We will limit our risk by analyzing borrowers' cash flow and collateral value on an ongoing basis.
- *Construction and Development Loans.* We will consider making owner-occupied construction loans with a pre-approved take-out loan. We will also consider construction and development loans on a pre-sold basis. If the borrower has entered into an agreement to sell the property prior to beginning construction, then the loan is considered to be on a pre-sold basis. If the borrower has not entered into an agreement to sell the property prior to beginning construction, then the loan is considered to be on a

speculative basis. Construction and development loans are generally made with a term of six to twelve months and interest is paid quarterly. The ratio of the loan principal to the value of the collateral as established by independent appraisal typically will not exceed industry standards. Speculative loans will be based on the borrower's financial strength and cash flow position. Loan proceeds will be disbursed based on the percentage of completion and only after the project has been inspected by an experienced construction lender or third-party inspector. Risks associated with construction loans include fluctuations in the value of real estate and new job creation trends.

- *Residential Real Estate.* Our residential real estate loans will consist of residential second mortgage loans, residential construction loans and traditional mortgage lending for one-to-four family residences. We expect that any long-term fixed rate mortgages will be underwritten for resale to the secondary market. We will offer primarily adjustable rate mortgages. The majority of fixed rate loans will be sold in the secondary mortgage market. All loans will be made in accordance with our appraisal policy with the ratio of the loan principal to the value of collateral as established by independent appraisal not exceeding 80%, unless the borrower has private mortgage insurance. We expect that these loan-to-value ratios will be sufficient to compensate for fluctuations in real estate market value and to minimize losses that could result from a downturn in the residential real estate market.

Commercial Loans. We expect that loans for commercial purposes in various lines of businesses will be one of the components of our loan portfolio. The target commercial loan market will be retail and professional establishments and small- to medium-sized businesses. The terms of these loans will vary by purpose and by type of underlying collateral, if any. The commercial loans primarily will be underwritten on the basis of the borrower's ability to service the loan from income. We anticipate that we will make equipment loans with conservative margins for a term of five years or less at fixed or variable rates, with the loan fully amortizing over the term. Loans to support working capital typically will have terms not exceeding one year and will usually be secured by accounts receivable, inventory or personal guarantees of the principals of the business. For loans secured by accounts receivable or inventory, principal typically will be repaid as the assets securing the loan are converted into cash, and for loans secured with other types of collateral, principal will typically be due at maturity. The quality of the commercial borrower's management and its ability both to properly evaluate changes in the supply and demand characteristics affecting its markets for products and services and to effectively respond to such changes are significant factors in a commercial borrower's creditworthiness.

Part of this commercial lending activity will also involve a niche market for "professional services lending." Professional services lending will consist of lending activities to attorneys, doctors and dentists, but will initially target attorneys. The professional services lending to attorneys is designed to facilitate the attorneys' special needs financing of the costs and expenses an attorney incurs on behalf of the attorney's clients during ongoing litigation matters. The expenses are normally booked as receivables, but are stronger than the normal receivables incurred by operating businesses because these receivables are subject to statutory liens on any settlements or monetary damage awards derived from the litigated matter. Management's experience is that the professional service loan should average approximately \$500,000, and should turn over, on average, every 18 months. The loans are not secured by a single litigation matter, but rather by all cases in the firm, which often number in the hundreds and sometimes thousands depending on firm size.

Management has developed a system to track and report the progress of the litigated matters, and we engage in "inventory" audits of the matters to confirm the professional service loan's "collateral," i.e., the cases pending with the firm, and the quality of that collateral. The collateral for the loans is all revenue due the firm on the "inventory" of litigated matters handled by the firm. As cases settle, new cases come in. This will result in effective over-collateralization of 200%, as most litigation matter expenses average 10% of the settlement or damages awarded in the matter. In addition, we will receive personal guarantees from more than a majority of the owners of the law firm who have sufficient assets to guarantee the professional service loan, if necessary.

The Bank also anticipates marketing additional banking products, and the Bank's personal, professional service, to the professionals who take advantage of the professional services lending offered by the Bank. In addition to standard banking products, the Bank anticipates in the future offering and managing structured settlements for attorneys and their clients, court-ordered trusts, and other financial services to these professionals. Finally, the professional services lending line will eventually be extended to other professionals, such as doctors and dentists.

Consumer Loans. We will make a variety of loans to individuals for personal, family and household purposes, including secured and unsecured installment and term loans, vehicle loans, second mortgages, home equity loans and home equity lines of credit. The amortization of second mortgages will generally not exceed 15 years and the rates will

generally not be fixed for over 12 months. Repayment of consumer loans depends upon the borrower's financial stability and is more likely to be adversely affected by divorce, job loss, illness and personal hardships than repayment of other loans. Because many consumer loans are secured by depreciable assets such as boats, cars and trailers, the loan should be amortized over the useful life of the asset. The loan officer will review the borrower's past credit history, past income level, debt history and, when applicable, cash flow and determine the impact of all these factors on the ability of the borrower to make future payments as agreed. We expect that the principal competitors for consumer loans will be the established banks and finance companies both in our market and outside of it.

Composition of Portfolio. The following table sets forth management's estimate of the percentage composition of our loan portfolio during our first three years of business.

	<u>Percentage</u>
Commercial real estate	27.90%
Residential real estate	45.50%
Commercial (including professional services loans)	25.00%
Consumer	<u>1.60%</u>
Total	<u><u>100.00%</u></u>

Investments

In addition to loans, we will make other investments primarily in obligations of the United States or obligations guaranteed as to principal and interest by the United States and other taxable securities. No investment in any of those instruments will exceed any applicable limitation imposed by law or regulation. The Investment/Asset Liability Committee will review the investment portfolio on an ongoing basis in order to provide that the investments conform to our policy as set by our Board of Directors.

Asset and Liability Management

The Investment/Asset Liability Committee will oversee our assets and liabilities and will strive to provide a stable, optimized net interest margin, adequate liquidity and a profitable after-tax return on assets and return on equity. The committee will conduct these management functions within the framework of written loan and investment policies that we will adopt. The committee will attempt to maintain a balanced position between rate sensitive assets and rate sensitive liabilities. Specifically, it will chart assets and liabilities on a matrix by maturity, effective duration and interest adjustment period and attempt to manage any gaps in maturity ranges. The Investment/Asset Liability Committee also is responsible for recommending guidelines to our Board of Directors with respect to Bank profitability, liquidity structure, capital adequacy, our dividend policy, federal income tax position and prevailing and potential internal and external factors.

Deposit Services

We will seek to establish a broad base of core deposits, including savings accounts, checking accounts, money market accounts, a variety of certificates of deposit and individual retirement accounts. We intend initially to leverage our initial shareholder base, which is expected to be comprised primarily of residents of our primary service areas, into a source of core deposits. In addition, we will implement a targeted marketing program in our primary service areas and will feature a broad product line and competitive rates and services. The primary sources of deposits will be residents of, and businesses and their employees located in, our primary service areas. We plan to obtain these deposits through personal solicitation by our officers and directors, direct mail solicitations and advertisements published in the local newspapers.

Other Banking Services

Other anticipated banking services include cashier's checks, travelers' checks, money orders, safe deposit boxes, direct deposit of payroll and Social Security checks, night depository, Internet banking, bank by mail, automated teller machine cards, courier service and debit cards. We plan to become associated with one or more nationwide networks of automated teller machines that our customers will be able to use throughout Texas and other regions. We also plan to offer credit card and merchant card services through a correspondent as an agent for us. Although we do not plan to do so initially, at some time in the future we may form a holding company that will allow us to offer expanded financial

services, such as insurance, financial planning, investment and trust services. In each case, if offered, we would expect initially to do so through strategic partners. We do not plan initially to exercise trust powers, although we may do so in the future with the prior approval of the TDB.

Employees

Our success will depend, in part, on our ability to attract, retain and motivate highly qualified management and other personnel, for whom competition is intense. When we begin operations, we expect that we will have 13 full-time equivalent employees.

MANAGEMENT

General

Our bylaws provide that the Board of Directors will consist of not less than five (5) and no more than twenty-five (25) persons, the exact number to be determined from time to time by the board. Our initial Board of Directors will be composed of sixteen (16) persons. Upon the approval of the TDB, each of our proposed directors will serve until the first annual meeting of our shareholders and until their respective successors are chosen and qualify. Thereafter, directors will be elected each year at our annual meeting. Our executive officers are elected by our Board of Directors and hold office at the board's discretion.

Background of organizers, directors and executive officers

The following is a biographical summary of each of our organizers, directors and executive officers:

Benjamin A. Goff – Organizer, Chairman. Mr. Goff is President of Access FR Capital, Inc. in Dallas, Texas, Chairman, President, & CEO of Justice Enterprises, Inc., and a Senior Vice President of Creative Capital, Inc. in Brentwood, Tennessee. He has been in finance and insurance for 25 years. Mr. Goff has been Chairman, President and CEO of Advocate Capital, Inc.; CEO of Auto Marketing Network, Inc; CEO of Excalibur Financial, LLP; Director of Acquisitions & Servicing of Primus Automotive Financial Services (a subsidiary of Ford Credit); and a Senior Financial Analyst at Ford Credit. He holds a B.S. from Oklahoma State University, an M.B.A. from Oklahoma City University, and holds the highest designation, Commercial Credit Executive, from the National Association of Credit Management. Mr. Goff has been on the Board of the National Automotive Finance Association and been a speaker at several Automotive Finance Conferences. He is Treasurer of the Brentwood Early Riser Toastmasters and a member of the National Structured Settlement Trade Association. Mr. Goff is the husband of Teresa L. Goff and son of Ben A. Goff.

Randall L. Robinson – Organizer, President & Chief Executive Officer. Mr. Robinson was most recently Denton County President of First United Bank & Trust. His responsibilities consisted of oversight of five Denton County locations that totaled approximately \$180 million in total assets. Under Mr. Robinson's management, total assets grew from approximately \$62 million to \$140 million over a five year period. Prior to that, Mr. Robinson served as President of the Denton Banking Centers for TexasBank. Mr. Robinson has been in banking for 27 years, including 20 with the former First State Bank of Texas, where he held many different positions in the bank, including Vice President for Commercial Lending, where he oversaw a division with \$180 million of loans, and Banking Center Manager for First State Bank of Texas locations in The Colony, Texas and Watauga, Texas. He is currently Chair Elect of the Texas Woman's University Foundation Board, Past Vice Chair of the City of Denton Economic Development Partnership Board, Board of Cumberland Presbyterian Children's Home, City of Denton Public Utilities Board, and City of Denton 2006 Charter Review Committee & Capital Improvement Oversight Committee. Robinson has also served on the Board of the United Way of Denton since 2000 having previously held the title of Board Chair, Treasurer, and Campaign Chair. Mr. Robinson has been recognized many times for his contributions to the Denton Community. Most recently, he and his wife Sandra were co-recipients of the 2006 Founders Award as Community Heroes by Aids Services of North Texas. Previous recognition includes the 2003 Denton Business and Community News Businessman of the Year, 2000 Denton Chamber of Commerce Star Award, and the 2005 Distinguished Citizen Award by the Boy Scouts of America.

Carolyn P. Gardner – Senior Vice President and Chief Financial Officer. Ms. Gardner is a seasoned banker with 25 years of banking experience. Most recently Ms. Gardner served as Senior Vice President/Cashier/Chief Financial Officer with a de novo bank in Royse City, Texas where she was responsible for assisting with all facets of readying the bank for operations. Previously, Ms. Gardner served as Senior Vice President and Controller for United Central Bank in Garland, Texas. United Central Bank is a \$400 million institution with nine branches located in Texas and several loan

production offices throughout the United States. Ms. Gardner's experience at United Central Bank included all of that bank's financial processes, regulatory reporting and key membership of that bank's management team. Ms. Gardner served on the IT Committee, the ALCO Committee and served as secretary to the Board of Directors. Ms. Gardner was involved in United Central Bank's strategic planning and budgeting as well. In this position, Ms. Gardner was heavily involved in the oversight of all that bank's operations. Prior positions include Vice President and Cashier at Fort Davis State Bank in Fort Davis, Texas, a \$40 million institution. This small rural bank afforded Ms. Gardner hands – on experience in the management of the bank's operations. Previously, Ms. Gardner served as Vice President and Controller for Western National Bank in Odessa, Texas. When Ms. Gardner left this institution, its total assets were \$150 million. This commercial bank is where Ms. Gardner gained her work experience as a bank controller. With each of these positions, Ms. Gardner was a key liaison between the bank and the regulators and the external auditors. Ms. Gardner has held numerous other positions in the banking industry in the past that provided her the skills to hold these management positions.

Pablo Alvarado – Organizer, Director. Mr. Alvarado is President of the Dallas, Texas law firm of Pablo Alvarado, PC. Mr. Alvarado has been practicing law for 24 years. He is also a partner in Marfa Partners and McLean LLC, both real estate corporations. Mr. Alvarado holds a B.B.A. from Sul Ross State University and a J.D. from Texas Tech School of Law. Mr. Alvarado is fluent in Spanish and is affiliated with the Mexican consulate. He holds the highest rating (AV) from Martindale Hubbell.

Brett M. Bingham – Organizer, Director. Mr. Bingham is Vice President and Director of Meeting Protocol Worldwide and the founder and President of True North Development, Inc. in Dallas, Texas. He has more than 15 years of leadership experience largely focused on business startup and turnaround opportunities. At Meeting Protocol Worldwide, Mr. Bingham is responsible for enhancing the enterprise's value through the development and implementation of corporate strategy, including organizational objectives and policies, and managing its biotech and pharmaceutical clients' relations. Prior to joining Meeting Protocol Worldwide in 1998, Mr. Bingham was General Manager for North and South American Supply Chain Services for Compaq Computers in Houston. In 2002, Mr. Bingham formed True North Development, Inc. for the purpose of investing in and development of commercial real estate in the Dallas / Ft. Worth area. Mr. Bingham received his B.S. from Tarleton State University in 1989.

Philip J. Gallivan, Jr. – Organizer, Director. Mr. Gallivan is the Marketing Director of Title Resources, Denton, Texas. Formerly a banking career beginning in 1963 with Marquette National Bank, Minneapolis Minnesota a \$210 million bank that grew to \$1.3 billion and where as Executive Vice President he had responsibility for commercial, mortgage, correspondent and consumer lending assets totaling approximately \$900 million. At Marquette National Bank, he also developed the trust department and oversaw that bank's professional lending services. In 1987 he joined the 18 bank holding company Marquette Bancshares, Inc as Senior Credit Officer responsible for the review of loan assets approximating \$2 billion. He served in the capacity of Board Member, Executive Vice President and Senior Credit Officer from October 1991 to June 2001 at First State Bank of Texas, Denton, Texas which grew from \$250 million to approximately \$750 million with loan and deposit growth and acquisition of five banking institutions. He was an Accounting Major at St. Thomas College class of 1962. He has been involved in numerous local organizations as a Board Member to include Denton Community Theatre President of the Board, Salvation Army Board past President, United Way of Denton County past Chair, Texas Woman's University Foundation Board, University of North Texas Business College Advisory Board, Denton Public Utility Board, Texas Municipal Power Agency Board and Gila Corp. d/b/a Municipal Services Bureau Board, Austin Texas.

Carmen Mitchell Goff – Organizer, Director. Mrs. Goff is a partner in Mitchell Goff & Mitchell, a Dallas, Texas law firm. She has been practice law for 24 years. She holds a B.A., cum laude, from the University of Texas and a J.D. from Texas Tech University. She is the President of the Dallas Chapter of the American Board of Trial Advocates. She has the highest designation (AV) from Martindale Hubbell. She has been voted by her peers as a "Super Lawyer" in the practice of plaintiffs' personal injury, and more recently has been recognized as one of the Top 50 Women Lawyers in the state of Texas, as well as one of the Top 100 Lawyers in all areas of practice in Central Texas. Mrs. Goff is the wife of Ben A. Goff.

Ben A. Goff – Organizer, Director. Mr. Goff is a partner in Mitchell Goff & Mitchell, a Dallas, Texas law firm. Mr. Goff has been practicing law for 48 years. He was a member of the Oklahoma Workers Compensation Committee from 1965 to 1969 and the Client Security Fund Committee from 1970 to 1971. He is a member of the Section on Insurance Negligence and Compensation Law for the American Bar Association. He is a member of the State Bar of Texas, Texas Trial Lawyers Association, and American Trial Lawyers Association., and Tau Epsilon Rho. He holds a B.B.A. from

University of Oklahoma and J.D. from University of Michigan. Mr. Goff is the father of Benjamin A. Goff, our proposed Chairman, father-in-law of Teresa L. Goff, and husband of Carmen Mitchell Goff.

Teresa L. Goff – Organizer, Director. Mrs. Goff is President of Goff Associates, Inc. and Regional Vice President of Creative Capital, Inc. in Brentwood, Tennessee. She is licensed to write life insurance in 15 states, including Texas. Ms. Goff is appointed by all the major life insurance companies to write structured settlements. She was co-founder and head of marketing for Advocate Capital, Inc., and has experience in commercial insurance. Mrs. Goff is the wife of Benjamin A. Goff, our proposed Chairman, and daughter-in-law of Ben A. Goff and Carmen Mitchell Goff.

Fred L. Hill – Organizer, Director. Mr. Hill currently is the owner and Funeral Director of Peoples Funeral Home in Denton, Texas. He also is co-owner of Lonestar Carwash, owner of Hill & Hill Properties, President of Georgetown Homes, Inc., and co-owner of Eagle Waste, Inc. Shortly after graduating from Prairie View A&M University, Mr. Hill was commissioned into the United States Army as a 2nd Lieutenant. Tours of Duty included the Republic of Korea, Ft. Bliss Air Defense Center, El Paso, Texas, U. S. Army in Germany, Vietnam and Dallas, Texas. After retirement as a Lt. Colonel, Mr. Hill returned to his hometown of Denton, Texas and applied his leadership and management skills to start several entrepreneurial ventures, some of which are listed above. In addition to distinction as a local businessman, he has given back to the community as a volunteer. From 1977 to 1983, he was a member, and later president, of the Denton Independent School District, Denton Chamber of Commerce, founding Director of the Denton Black Chamber of Commerce, Governing Board of Denton Regional Medical Center, Texas Bank Advisory Board, and Mt. Pilgrim C.M.E. Church Trustee.

Garrett H. Jamison – Organizer, Director. Mr. Jamison is Executive Vice President, Chief Financial Officer and Director of Hester Capital Management, LLC in Dallas Texas. A seasoned financial industry executive, Mr. Jamison has extensive experience in investment and trust management. Since 1967, he has been responsible for developing and delivering client-centric financial solutions to individuals, families and institutions to fulfill their wealth management objectives. Prior to joining Hester Capital Management, Mr. Jamison served as Chairman, President and Chief Executive Officer of Bank One Trust Company (1995-01); Texas Regional Trust & Investment Executive Director, Bank One Investment Management Group (1994-95); Executive Vice President, Bank One Texas Trust (1989-94); Senior Vice President, Capital Management Group, Security Pacific Bank Washington, N.A. (1988-89); Executive Vice President and Trust Officer, InterFirst/First Republic Bank (1981-88); and Portfolio Manager, Austin National Bank/InterFirst (1967-81). He has served on numerous boards in Austin and Dallas. Mr. Jamison is a graduate of the University of Texas in Austin (B.B.A., 1967), a recipient of the Chartered Financial Analyst designation (1973) and designated a Chartered Investment Counselor (2003).

Mary Jo "Pete" Kamp – Organizer, Director. Ms. Kamp was Elected Mayor Pro Tem of Denton in 2006 and is serving her second term on the Denton City Council. She was first elected to the Denton City Council in 2003. Her committee assignments have been: Ethics Committee – Chair; Audit Committee; Convention and Visitors Bureau Committee; Environmental Committee; Labor Fund Committee; Council Mobility Committee; Dallas Regional Mobility Coalition; and Regional Transportation Council. She is presently a Vice-President & Owner of Premier Sales Group, Inc., owned Stone Soup Interiors & Gifts for five years in downtown Denton and was a Regional Manager for pharmaceutical companies for over twenty years. She is on the Board of Directors of Denton Festival Foundation as Chair of Visual Arts & Vice-President and Executive Council, Board of Directors of Denton Holiday Lighting, Denton Chamber of Commerce, Denton Main Street Association, Denton Benefit League, Greater Denton Arts Council, Texas Storytelling Association, Kiwanis Club, North Texas Exes, North Texas, Letterman's Club, Keep Denton Beautiful, Member of First United Methodist Church, Denton Humane Society, Mean Green Club UNT, and Native Plant Society of Texas.

Jerry M. Kelsoe – Organizer, Director. Mr. Kelsoe is the retired President of Kelsoe Tractor Co., Inc. (d/b/a Kelsoe Oil Company) located in Denton, Texas but still serves as a director of the company. He currently acts as President of Kelsoe Construction and Development, Inc. which holds interests in commercial buildings and land development in the Denton County area. Mr. Kelsoe graduated from the University of North Texas in 1960 with a B.A. in Business. Mr. Kelsoe is very well known in the Denton community, having owned and operated a Ford tractor dealership, fuel and oil distribution service and building convenience stores and fuel operations through out the county.

David A. McBee, Sr. – Organizer, Director. Mr. McBee is the principal of McBee & Co., P.C., a Dallas, Texas accounting firm founded in 1984. His firm provides a full range of accounting services including, audit, review, compilation, special purpose engagements, tax, management advisory, and peer reviews. The peer review program (administered by the Texas Society of CPAs) was established to monitor a CPA firm's system of quality control, which encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with

reasonable assurance of conforming with professional standards. From the creation of the peer review program more than 15 years ago, Mr. McBee has been active as a reviewer and served on the committee that reviews the work of the other reviewers. He has been a CPA for 33 years. He is part owner of Track FAQ, Inc. which is an internet based company established to sell parts and accessories to the owners of Mini-Coopers. He holds a B.A. in Accounting from North Texas State University. He is a member of the AICPA Division for Firm's Private Companies Practice Section. Prior to forming his own practice he was a partner with Meinke, McBee & Co. and Adelstein, McBee & Co, both Dallas-based CPA firms. He began his accounting career with Deloitte & Touche.

J. Virgil Strange – Organizer, Director. Mr. Strange is Vice President/Owner, Axiom Commercial Co. since 2003, a partner in construction and development ventures since 1980, and President, Tremont Construction Co. since 1983 in Denton Texas. He was President of ITEC Steel Co. from 1997 to 2001, President of Golden Triangle Development Corp. from 1980 to 1986 in Denton Texas. From 1973 to 1976 he was Financial Director of Moore Corporation in Toronto, Canada and Deputy Comptroller, Moore Business Forms in Denton from 1968 to 1980. He obtained a B.B.A. in Accounting from North Texas State University in 1968. Other Activities include: Elder, St Andrew Presbyterian Church, Denton; Economic Development Advisory Board, Denton Chamber of Commerce; Chairman, Denton Planning & Zoning Commission; Secretary, Denton Country Club; Lifetime Member, President's Council, UNT; Lifetime Member, North Texas Execs; Member, Mean Green Club; Builder/Donor, Alumni Center, UNT campus; Underwriter, Eagle Wall Sculpture, North Texas Exes Alumni Center, UNT; Builder/Donor, Shrader Pavilion, UNT campus; Builder/Donor, Athletic Academic Center, Eagle Point Campus, UNT; Builder/Donor, Troy LaGrone Hospitality Deck, Fouts Field, UNT; Builder/Donor, Cumberland Presbyterian Children's Home Village of Care; Donor, Judith Royal Scholarship honoring Denton Christian Preschool; Member/Donor, Denton Arts Guild, Denton Music Theater; Gold Underwriter, Denton Benefit League. Some of the awards he has received are: National Steel Alliance, Entrepreneur Award, 2000; Denton Main Street Award, creative reuse of Denton's first Hospital, 2002; Galveston Historic Commission, preservation award, 1997; Professional Awards of Achievement in Accounting & Construction; and UNT Outstanding Alumnus Service Award, 2006.

David J. Vanderlaan – Organizer, Director. Mr. Vanderlaan has been in commercial real estate for over 28 years, and is currently co-owner of Vanderlaan Newland Real Estate. He received his B.A in 1974 and M.A. degree in 1979 from North Texas State University. Mr. Vanderlaan and his family have resided in the Denton area since 1971. Prior to forming his own real estate company in 1994, Mr. Vanderlaan worked with Ebby Halliday Realtors – the largest independently owned/operated brokerage company in Texas. During the 12 years of his affiliation with Ebby Halliday he won numerous sale volume and dollar volume awards including being in the top 10 agents of the entire company each year. He has served as director of numerous boards and advisory boards in the community, including the Past Director of the Greater Denton-Wise County Board of Realtors, Past Director of the Texas-Louisiana Farm and Ranch Institute, Realtor Land Institute, Past Advisory Board Member of First State Bank of Denton, Wells Fargo Bank - Denton, Texas Bank – Denton, First United Bank – Denton. Additional activities include: Denton Economic Development Advisory Board, Past President of the Denton County Club 2005, Lifetime member of President's Council UNT, Underwriter- Eagle Wall Sculpture, Member/Donor-Denton Arts Guild and the Denton Benefit League. He currently serves on the Board of Trustees at First United Methodist Church – Denton, UNT Athletic Advisory Board, and Current Board of Directors for North Texas Exes. His real estate firm has specialized in land sales and land development primarily in Denton County. Since 1999 his development partnerships have developed over 1,500 residential lots and 500 apartment units plus numerous commercial development pad/retail/commercial sites.

Truman M. Wolf – Organizer, Director. Mr. Wolf has been investing in Farms and Ranches since 1980, has been raising cattle for the last 10 years (approx. 200 head), and is a partner of North Dallas Barbers. He was a partner in T&R Distribution Company from 1971 to 1976 and owned One Stop Block, a feed company. He has also been a consultant in the recreational property industry and is a member of the Texas Cattle Raisers Association.

Karen E. Chapman – Organizer. Ms. Chapman has been married to Dr. Huntly G. Chapman, FRCS(C), a Dallas orthopedic spine surgeon and Certified Life-care Planner, for 33 years and is a member of the Dallas County Medical Auxiliary Society. She is a graduate of Lorrain School of Nursing in Pembroke, Ontario, completed post-graduate studies at St. Michaels Hospital in Toronto, Ontario and has her Nurse Practitioner Diploma from McMaster University, Hamilton, Ontario. She has been a member of the St. Regis Church for 30 years and a US citizen since 1988.

Our Board of Directors will establish an Audit and Compliance Committee, a Loan Committee, an Executive Committee, an Investment/Asset Liability Committee and a Human Resources Committee. These committees are described below:

Audit and Compliance Committee. The Audit and Compliance Committee will monitor Bank management, financial statements, internal and external audit reports, and staff compliance with board policies, laws and regulations. Because the committee will evaluate Bank financial statements, audits, and compliance, its membership will be composed solely of outside directors. All members of the Audit and Compliance Committee must be able to read and understand financial statements at the time of their appointment. To assist it in executing its functions, the Audit and Compliance Committee will have discretion to retain its own outside counsel and other auditors.

The Audit and Compliance Committee will supervise the audit function directly to verify that auditors, internal and external, are independent of Bank management and are objective in their findings. The committee will contract for outside audit services and/or will hire senior audit personnel, set compensation, review audit plans, and evaluate performance. The committee will meet with our auditors as necessary to review reports and discuss findings and will monitor management's efforts to correct deficiencies described in an audit or a regulatory examination.

The Audit and Compliance Committee will be a vehicle for communicating risk management concerns to the full Board of Directors. The Audit and Compliance Committee will seek to ensure that risk management evaluation functions are independent, because the objective is to evaluate management's ability to manage risk within the policies established by the Board of Directors. The Audit and Compliance Committee will also be responsible for overseeing internal loan review and examination.

The Sarbanes-Oxley Act of 2002 has resulted in the imposition of a number of mandates that may be or may in the future become applicable to the composition of our Audit and Compliance Committee. Each of those mandates is discussed below:

- *Audit and Compliance Committee Member Independence.* Each member of an audit committee of a company listed on a national securities exchange must be a director and must be otherwise independent.
- *Responsibilities Relating to Registered Public Accounting Firms.* The Audit and Compliance Committee must be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged to prepare or issue an audit report or to perform other audit, review or attestation services for us, and each firm must report directly to the audit committee.
- *Procedures for Handling Complaints.* The Audit and Compliance Committee must establish procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls, or auditing matters, including procedures for the confidential, anonymous submission by employees of these types of concerns.
- *Authority to Engage Advisors.* The Audit and Compliance Committee must have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.
- *Funding.* We must provide appropriate funding to the audit committee for payment of accounting and other advisors.

In addition, we may be required to disclose in our annual reports filed with the FDIC:

- whether we have at least one "audit committee financial expert" serving on our Audit and Compliance Committee and the name of that expert;
- whether the audit committee financial expert is "independent;" and
- if we have no audit committee financial expert serving on our Audit and Compliance Committee, we must state that fact and explain why.

It is expected that the initial chair of the Audit and Compliance Committee will be David McBee, Sr., assisted by additional outside directors. None of the proposed members of the Audit and Compliance Committee are executive officers or 10% shareholders. Mr. McBee has an understanding of generally accepted accounting principals and financial statements. He has experience preparing, auditing, analyzing and evaluating financial statements that present a breadth of

complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Bank's financial statements. Based upon his qualifications, the Board has determined that Mr. McBee satisfies the standards for independence established by the NASDAQ Stock Market, Inc., even though such rules are not expected to apply to the Bank. We also expect that Mr. McBee will serve as our audit committee financial expert. It is expected that in addition to Mr. McBee, Brett M. Bingham, Philip J. Gallivan, Jr., Carmen Mitchell Goff, Ben A. Goff, Fred L. Hill, Garrett H. Jamison, Mary Jo "Pete" Kamp and J. Virgil Strange will serve on the Audit and Compliance Committee.

The provisions of the Sarbanes-Oxley Act described above will not apply to us unless we have 500 or more record shareholders on the first day of any calendar year after we open for business. However, even if the provisions of the Sarbanes-Oxley Act are not directly applicable to us, the FDIC has adopted policies and procedures that provide similar requirements to FDIC insured banks that are not public companies and has indicated that certain of the provisions of the Sarbanes-Oxley Act that may not be directly applicable to the FDIC-insured banks are nonetheless sound corporate governance practices. Accordingly, our Board of Directors intends to consider the appropriateness of the application of the provisions of the Sarbanes-Oxley Act as a corporate best practice even in the absence of its application as a matter of law.

Loan Committee. The Loan Committee will be responsible for establishing or approving, in conjunction with management, all major policies and procedures pertaining to loan policy, including:

- establishing the loan approval system;
- approving all loans in excess of a predetermined amount;
- reviewing all past due reports, rated loan reports, non-accrual reports and other reports and indicators of overall loan portfolio quality;
- engaging, as appropriate, and reviewing the findings of, outsourced credit review consultants;
- reviewing and responding to all credit issues identified by way of regulatory examinations and outsourced credit review consultants;
- establishing measurements for adequacy of the loan loss reserve; and
- reviewing any other matters pertaining to the loan portfolio such as yield and concentrations.

It is expected that the initial members of the Directors Loan Committee will be Benjamin A. Goff, Randall L. Robinson, Brett M. Bingham, Philip J. Gallivan, Jr., Teresa L. Goff, Fred L. Hill, Jerry M. Kelsoe, J. Virgil Strange, David J. Vanderlaan, and Truman Wolf.

Executive Committee. The Executive Committee will meet as needed and, with certain exceptions as provided for by law and as set forth in the Executive Committee Charter, will generally have the same powers as the Board of Directors in the management of our business affairs between board meetings. The Board of Directors will, from time to time, charge the Executive Committee with specific responsibilities and tasks as it deems appropriate. The Executive Committee is not intended to act in place of the full board, but rather in a support role, and the Executive Committee will not have the authority to exercise all of the Board's powers; for example, the full Board of Directors generally reserves the right to execute extraordinary contracts or to approve or propose to shareholders actions that must be approved by our shareholders under applicable law. The Executive Committee will make recommendations to the Board of Directors regarding matters important to our overall management and strategic operation.

The Executive Committee will be responsible for director nominations and for overseeing the Bank's adherence to best practices in the area of corporate governance and ethics. The Executive Committee, among other things, will be responsible for:

- identifying individuals qualified to become board members;

- selecting, or recommending that the Board of Directors select, the director nominees for election at our annual meetings of our shareholders;
- overseeing the selection and composition of committees of the Board of Directors;
- overseeing management continuity planning processes; and
- developing and implementing the Bank’s Corporate Governance Guidelines.

The initial members of the Executive Committee are expected to be Benjamin A. Goff, Randall L. Robinson, Brett M. Bingham, Philip J. Gallivan, Jr., Ben A. Goff, Teresa L. Goff, Garrett H. Jamison and David J. Vanderlaan.

Investment/Asset Liability Committee. The principal responsibilities of the Investment/Asset Liability Committee include:

- overseeing the Bank’s actions relating to interest rate risk and liquidity risks;
- reviewing management strategies for investment securities activities, deposit programs and lending initiatives;
- evaluating the Bank’s liquidity position and considering the impact of anticipated changes in that position; and
- approving investment strategies and reviewing positions in securities.

The Investment/Asset Liability Committee will also be responsible for our overall investment strategy and asset/liability and investment policy. This will include liquidity management, risk management, net interest margin management, monitoring deposit level trends and pricing, monitoring asset level trends and pricing and portfolio investment decisions. It is expected that the initial members of the Investment/Asset Liability Committee will be Benjamin A. Goff, Randall L. Robinson, Philip J. Gallivan, Jr., Carmen Mitchell Goff, Fred L. Hill, Teresa L. Goff and Garrett H. Jamison.

Human Resources Committee. The Human Resources Committee will recommend to the Board of Directors the salaries of executive management and directors and the policies, terms and conditions of employment of all employees of the Bank. The committee will also assist senior management in identifying candidates for available positions and will coordinate efforts with legal counsel to create employee compensation plans, including the granting of stock options. When the Bank opens, the committee will be responsible for performance evaluations of senior management and for creating executive management compensation plans. The committee will also review and recommend employee benefit plans, as proposed by management, to the Board of Directors. It is expected that the initial members of the Human Resources Committee will be Randy Robinson, Benjamin A. Goff, Pablo Alvarado, Carmen Mitchell Goff, Ben A. Goff, Teresa L. Goff, Mary Jo “Pete” Kamp, Garrett H. Jamison and David J. Vanderlaan.

Director Compensation

We do not expect our directors to receive any direct remuneration for serving as director of the Bank, other than the directors warrants described below and elsewhere in this document. We may compensate our directors in the future but have no plans to do so at this time. However, in recognition of their efforts in organizing the Bank and their commitment to serve as the Bank’s initial directors, the Bank intends to grant to certain of our directors options to purchase shares of our common stock. We currently expect to grant, in the aggregate, 137,600 director options. Our Board of Directors, however, has the discretion to increase the number of options issued to any director. The options expire at the end of 10 years following the date we open for business, and vest over a three year period following the date of grant. The director options are non-transferable, except upon the director’s death. The director options will be exercisable at a price of \$10.00 per share

Organizer Warrants

To date, we have funded our organizational and opening expenses from direct cash advances of \$20,000 each made by our organizers, as well as from draws under a line of credit of approximately \$1.5 million extended to us by The Independent Bankers Bank. All of our organizers have provided a limited guarantee on amounts drawn under the line of credit. We expect to incur approximately \$1.2 million in organizational and pre-opening expenses. We intend to fund any additional organizational and other pre-opening expenses incurred before we open for business, as well as the acquisition costs of certain fixed assets, from draws under the line of credit. These expenses are described more fully in the section titled “*Use of Proceeds - Organizational Expenses*,” beginning on page 11. In the event that we do not open, our organizers will bear the risk of loss with respect to any direct cash advances that have not been repaid and may be pursued by The Independent Bankers Bank with respect to any funds advanced under the pre-opening line of credit.

In recognition of the substantial financial risks undertaken by the members of our organizing group, we intend to grant an aggregate of 149,994 warrants to our organizers. Our organizers will receive the warrants for their guarantee of the line of credit and for the \$20,000 that each has advanced for organizational expenses. The warrants will be exercisable at a price of \$10.00 per share, the initial offering price, and may be exercised within ten years of the date that we open for business. Our Board of Directors has the discretion to increase the number of warrants issued to any organizer if the organizational and pre-opening expenses exceed our expectations and we need additional funding or need to increase our line of credit, which will in turn increase the risk of loss to our organizers.

We will not issue organizer warrants to purchase fractional shares of common stock. Instead, we will round down to the next whole number in calculating the number of warrants to issue. In addition, the amount of organizer warrants granted to any one individual will not exceed number of shares for which such person has committed to subscribe in this offering. Holders of warrants may be able to profit from any rise in the market price of our common stock over the exercise price of the warrants to the extent that it enables them to purchase shares of our common stock at a price that is less than the then current market value.

Executive Compensation

Consulting Agreements

Benjamin A. Goff, Randall L. Robinson and Carolyn P. Gardner have entered into consulting agreements with Access FR Capital, Inc. providing for the payment of \$180,000, \$175,000 and \$87,500, respectively, on an annual basis in connection with their activities in organizing the Bank. The consulting agreements also provide for severance benefits, reimbursement of reasonable business expenses and, for certain consultants, an allowance for family health insurance. Each agreement terminates on the earlier of: (i) August 25, 2007; (ii) the date on which the Bank receives all regulatory approvals with respect to its charter application; (iii) the date the organizers abandon the charter application; (iv) the date the consulting agreement terminates for cause; or (v) the death or disability of the consultant.

Each of the consultants is providing independent advisory and consulting services for Access FR Capital, Inc. in connection with its organizational activities and those of the proposed Access 1st Capital Bank. These services have included assistance in preparing regulatory applications and obtaining regulatory approvals; directing site development activities, personnel matters; negotiating contractual arrangements; and performing other tasks necessary or appropriate in connection with the organization of a *de novo* state-chartered bank, at such times and in such a manner as reasonably requested by the organizers.

Employment Agreements

Randall L. Robinson. We intend to enter into an employment agreement with Randall L. Robinson regarding his employment as President and Chief Executive Officer of the Bank. Assuming receipt of necessary regulatory approvals for the agreements, we expect that the agreement will commence when we open for business and continue in effect for an initial period of three years, with automatic renewals for one-year terms.

Under the terms of the agreement, Mr. Robinson will receive a base salary of \$175,000 per year. At any time during the term of the agreement our board may review and increase Mr. Robinson’s base salary as a result of that review. Mr. Robinson will be eligible to participate in any executive incentive bonus plan and all other benefit programs that we have adopted, including a salary continuation plan that will be adopted by the board for certain executives. Mr. Robinson also will receive other customary benefits such as family health, dental, and leave for illness and vacation, membership

fees to banking and professional organizations, and an automobile allowance. Mr. Robinson will also be provided with life insurance coverage for a term of at least ten years in an amount not to exceed two times Mr. Robinson's base compensation.

Mr. Robinson's employment agreement also provides that we will grant him, pursuant to a separate stock option agreement under the Bank's stock option plan, options to acquire 45,000 of shares of common stock. These options will have an exercise price of \$10.00 per share and will be exercisable within ten (10) years from the date of grant of the options. It is expected that these options will be incentive stock options and would vest ratably over a period of three years beginning on the first anniversary of the date that we open for business.

In the event that Mr. Robinson is terminated, or elects to terminate his employment, in connection with a "change of control," Mr. Robinson would be entitled to receive a cash lump-sum payment equal to his "base amount" as defined in section 280G of the Internal Revenue Code. In general the base amount will equal the executive's annualized compensation over the prior five-year period. Other than as a result of a "change in control," if Mr. Robinson's employment is terminated for any reason other than for cause, we will be obligated to pay as severance, an amount equal to his annual base salary for the year during which his employment with the Bank was terminated.

The agreement also generally provides for a one year non-competition and non-solicitation provision that would apply following the termination of Mr. Robinson's employment, regardless of the reason for such termination.

Carolyn P. Gardner. We intend to enter into an employment agreement with Carolyn P. Gardner regarding her employment as Senior Vice President and Chief Financial Officer of the Bank. Assuming receipt of necessary regulatory approvals for the agreements, we expect that the agreement will commence when we open for business and continue in effect for an initial period of three years, with automatic renewals for one-year terms.

Under the terms of the agreement, Ms. Gardner will receive a base salary of \$87,500 per year. At any time during the term of the agreement our board may review and increase Ms. Gardner's base salary as a result of that review. Ms. Gardner will be eligible to participate in any executive incentive bonus plan and all other benefit programs that we have adopted, including a salary continuation plan that will be adopted by the board for certain executives. Ms. Gardner also will receive other customary benefits such as family health, dental, and leave for illness and vacation, membership fees to banking and professional organizations, and an automobile allowance. Ms. Gardner will also be provided with life insurance coverage for a term of at least ten years in an amount not to exceed two times Ms. Gardner's base compensation.

Ms. Gardner's employment agreement also provides that we will grant her, pursuant to a separate stock option agreement under the Bank's stock option plan, options to acquire 7,500 of shares of common stock. These options will have an exercise price of \$10.00 per share and will be exercisable within ten (10) years from the date of grant of the options. It is expected that these options will be incentive stock options and would vest ratably over a period of three years beginning on the first anniversary of the date that we open for business.

In the event that Ms. Gardner is terminated, or elects to terminate his employment, in connection with a "change of control," Ms. Gardner would be entitled to receive a cash lump-sum payment equal to her "base amount" as defined in section 280G of the Internal Revenue Code. In general the base amount will equal the executive's annualized compensation over the prior five-year period. Other than as a result of a "change in control," if Ms. Gardner's employment is terminated for any reason other than for cause, we will be obligated to pay as severance, an amount equal to her annual base salary for the year during which her employment with the Bank was terminated.

The agreement also generally provides for a one year non-competition and non-solicitation provision that would apply following the termination of Ms. Gardner's employment, regardless of the reason for such termination.

Benjamin A. Goff. We also intend to enter into an employment agreement with Benjamin A. Goff regarding his employment as Chairman of the Bank. Assuming receipt of necessary regulatory approvals for the agreements, we expect that the agreement will commence when we open for business and continue in effect for an initial period of three years, with automatic renewals for one-year terms.

Under the terms of the agreement, Mr. Goff will receive a base salary of \$180,000 per year. At any time during the term of the agreement our board may review and increase Mr. Goff's base salary as a result of that review. Mr. Goff will be eligible to participate in any executive incentive bonus plan and all other benefit programs that we have adopted, including a salary continuation plan that will be adopted by the board for certain executives. Mr. Goff also will receive

other customary benefits such as family health, dental, and leave for illness and vacation, membership fees to banking and professional organizations, and an automobile allowance. Mr. Goff will also be provided with life insurance coverage for a term of at least ten years in an amount not to exceed two times Mr. Goff's base compensation.

Mr. Goff's employment agreement also provides that we will grant him, pursuant to a separate stock option agreement under the Bank's stock option plan, options to acquire 45,000 of shares of common stock. These options will have an exercise price of \$10.00 per share and will be exercisable within ten (10) years from the date of grant of the options. It is expected that these options will be incentive stock options and would vest ratably over a period of three years beginning on the first anniversary of the date that we open for business.

In the event that Mr. Goff is terminated, or elects to terminate his employment, in connection with a "change of control," Mr. Goff would be entitled to receive a cash lump-sum payment equal to his "base amount" as defined in section 280G of the Internal Revenue Code. In general the base amount will equal the executive's annualized compensation over the prior five-year period. Other than as a result of a "change in control," if Mr. Goff's employment is terminated for any reason other than for cause, we will be obligated to pay as severance, an amount equal to his annual base salary for the year during which his employment with the Bank was terminated.

The agreement also generally provides for a one year non-competition and non-solicitation provision that would apply following the termination of Mr. Goff's employment, regardless of the reason for such termination.

We do not currently expect to enter into employment agreements with any employees other than those with Randall L. Robinson, Benjamin A. Goff and Carolyn P. Gardner. All of our other employees are expected to be employees-at-will serving at the pleasure of our Board of Directors.

Stock Incentive Plan

General. We will maintain a stock incentive plan designed to provide us with the flexibility to grant incentive stock options and non-qualified stock options to our directors, executive officers and other individuals employed by or performing services for us. The purpose of the plan, a copy of which is attached as Appendix C, is to encourage employees and others providing services to the Bank or any affiliate, if any, to increase their efforts to make us more successful, to provide an additional inducement for such individuals by providing the opportunity to acquire shares of common stock on favorable terms and to provide a means through which we may attract, encourage and maintain qualified employees. In addition, in recognition of their efforts in organizing the Bank and their commitment to serve as the Bank's initial directors, the Bank intends to grant to certain of our directors options to purchase shares of our common stock. We currently expect to grant, in the aggregate, up to 137,600 director options. Our Board of Directors, however, has the discretion to increase the number of options issued to any director. The options expire at the end of 10 years following the date we open for business, and vest over a three year period following the date of grant. The director options are non-transferable, except upon the director's death. The director options will be exercisable at a price of \$10.00 per share.

The plan will have a term of 10 years and will provide for the granting of up to 295,000 stock options. The Plan authorizes the issuance of options that will qualify as incentive stock options under Section 422(a) of the Internal Revenue Code of 1986, as amended, as well as non-qualified stock options. However, the plan permits us to issue all of the stock options as incentive stock options. Incentive stock options are eligible for favored tax treatment, while non-qualified stock options do not qualify for such favored tax treatment. In order for us to issue incentive stock options under the plan, the plan must be approved by our shareholders. Consequently, attached to this offering circular as Appendix B is a proxy sheet that allows you to direct Benjamin A. Goff and Randall L. Robinson as proxies to consent to, among other matters, approve the stock incentive plan. The proxy sheet will direct the proxy to approve the reservation of 295,000 shares of common stock of the Bank for issuance as stock options under the plan, all of which may be granted as incentive stock options.

It is anticipated that the following individuals will each be granted stock options under the plan in connection with their respective employment agreements or arrangements: Benjamin A. Goff, Randall L. Robinson and Carolyn P. Gardner. The remainder of the options under the stock incentive plan would be available for grant at the discretion of our Board of Directors.

Federal Income Tax Consequences. The following discussion outlines generally the federal income tax consequences of participation in the stock incentive plan. Individual circumstances may vary, and each participant should rely on his or her own tax counsel for advice regarding federal income tax treatment under the plan.

- *Non-Qualified Stock Options.* A participant will not be taxed upon the grant of a non-qualified stock option or at any time before the exercise of the option or a portion of the option. When the participant exercises a non-qualified stock option or portion of the option, he or she will recognize compensation taxable as ordinary income in an amount equal to the excess of the fair market value of the common stock on the date the option is exercised over the price paid for the common stock, and we will then be entitled to a corresponding deduction. Depending upon the time period for which shares of common stock are held after exercise of a non-qualified stock option, the sale or other taxable disposition of shares acquired through the exercise of a non-qualified stock option generally will result in a short- or long-term capital gain or loss equal to the difference between the amount realized on the disposition and the fair market value of such shares when the non-qualified stock option was exercised.
- *Incentive Stock Options.* A participant will not be taxed upon the grant or exercise of all or any portion of an incentive stock option. Instead, the participant will be taxed when he or she sells the shares of common stock purchased upon exercise of the incentive stock option. The participant will be taxed on the difference between the price he or she paid for the common stock and the amount for which he or she sells the common stock. If the participant does not sell the shares of common stock prior to two years from the date of grant of the incentive stock option and one year from the date the common stock is transferred to him or her, any gain will be a capital gain, and we will not be entitled to a corresponding deduction. If the participant sells the shares of common stock at a gain before that time, the difference between the amount the participant paid for the common stock and the lesser of its fair market value on the date of exercise or the amount for which the stock is sold will be taxed as ordinary income, and we will be entitled to a corresponding deduction. If the participant sells the shares of common stock for less than the amount he or she paid for the stock prior to the one- or two-year period indicated, no amount will be taxed as ordinary income, and the loss will be taxed as a capital loss. Exercise of an incentive stock option may subject a participant to, or increase a participant's liability for, the alternative minimum tax.

Option Terms. The plan will provide for the issuance of incentive stock options and non-qualified stock options. The committee will determine whether an option is an incentive stock option or a non-qualified stock option when it grants the option, and the option will be evidenced by an agreement describing the material terms of the option. A holder of a stock option may not transfer the option during his or her lifetime.

The exercise price of an incentive stock option may not be less than the fair market value of the common stock on the date of grant, or less than 110% of the fair market value if the participant owns more than 10% of our outstanding common stock. None of our officers will own more than 10% of our outstanding common stock at the time of the initial stock option grants. When the incentive stock option is exercised, we will be entitled to place a legend on the certificates representing the shares of common stock purchased upon exercise of the option to identify them as shares of common stock purchased upon the exercise of an incentive stock option.

The exercise price of the stock options may not be less than 100% of the fair market value of the common stock on the date of grant. Fair market value will be determined based upon any reasonable measure of fair market value. The committee may permit the option holder to pay the exercise price in cash or, upon conditions established by the committee, by delivery of shares of our common stock that had been owned by the participant for at least six months prior to the date of exercise.

The term of an option will be specified in the applicable stock option agreement. The term of an incentive stock option may not exceed ten years from the date of grant; however, any incentive stock option granted to a participant who owns more than 10% of our outstanding common stock will not be exercisable more than five years after the date the option is granted. None of our officers will own more than 10% of our outstanding common stock at the time of the initial stock option grants.

Subject to any further limitations in the applicable stock option agreement, if a participant's employment is terminated, an incentive stock option will expire and become unexercisable no later than three months after the date of termination of employment. If, however, termination of employment is due to death or disability, up to one year may be

substituted for the three-month period. Incentive stock options are also subject to the further restriction that the aggregate fair market value, determined as of the date of the grant, of common stock as to which any incentive stock option first becomes exercisable in any calendar year is limited to \$100,000 per recipient. If incentive stock options covering common stock with a value in excess of \$100,000 first become exercisable in any one calendar year, the excess will be treated as non-qualified stock options. For purposes of determining which options, if any, have been granted in excess of the \$100,000 limit, options will be considered in the order they were granted.

Termination of Options. The terms of a particular option agreement may provide that the options will terminate, among other reasons, upon the holder's termination of employment or other status with us, upon a specified date or upon the holder's death or disability. The stock option plan will provide that if the holder dies or becomes disabled, the holder's estate or personal representative may exercise the option within twelve (12) months of the date of death or disability. The stock option plan will provide that if the holder retires, the holder may exercise the option within three (3) months of the date of retirement. The committee designated to administer our stock option plan may, within the terms of the plan and the applicable stock option agreement, cancel, accelerate, pay or continue an option that would otherwise terminate for the reasons discussed above. The stock incentive plan will provide that our primary federal regulator may require holders of stock options to exercise or forfeit such options if our capital falls below minimum requirements.

Recapitalizations and Reorganizations. The stock incentive plan provides for appropriate adjustment, as determined by the committee, in the number and kind of shares and the exercise price subject to unexercised options in the event of any change in the outstanding shares of common stock by reason of any subdivision or combination of shares, payment of a stock dividend or other increase or decrease in the number of outstanding shares effected without the receipt of consideration. In the event of specified corporate reorganizations, the committee may, within the terms of the plan and the applicable stock option agreement, substitute, cancel (with or without consideration), accelerate, remove restrictions or otherwise adjust the terms of outstanding options or assume options of another issuer.

Administration. The plan will be administered initially by the full Board of Directors, although the administration may, in the future, be delegated to a committee of the full board. The committee will have the authority to grant awards under the plan, to determine the terms of each award, to interpret the provisions of the plan and to make all other determinations that it may deem necessary or advisable to administer the plan. The plan will permit the committee to grant stock options to eligible persons. The committee may grant these options on an individual basis or design a program providing for grants to a group of eligible persons. The committee will determine, within the limits of the plan, the number of shares of common stock subject to an option, to whom an option is granted, the exercise price and forfeiture or termination provisions of each option. Each option will be subject to a separate stock option agreement that will reflect the terms of the option.

Amendment and Termination of the Plan. The Board of Directors has the authority to amend or terminate the plan. The Board of Directors is not required to obtain shareholder approval to amend or terminate the plan but may condition any amendment or termination of the plan upon shareholder approval if it determines that shareholder approval is necessary or appropriate under tax, securities or other laws. The board's action may not adversely affect the rights of a holder of a stock option without the holder's consent.

Security Ownership of Organizers and Management

The table below sets forth the following information for each of our organizers, directors and executive officers:

- the number of shares of common stock he or she expects to purchase in the offering;
- the number of shares of common stock he or she expects to own beneficially upon completion of the offering; and
- the percentage that the number of shares beneficially owned bears to the minimum and maximum number of shares to be sold in the offering.

The number of shares indicated in the table as beneficially owned, and the percentage ownership information, is based on "beneficial ownership" concepts as defined by the federal securities laws. In general, beneficial ownership includes shares owned by spouses, minor children and other relatives residing in the same household, trusts, partnerships, corporations or deferred compensation plans which are affiliated with the principal. In addition, this table reflects organizer warrants, which will be exercisable upon issuance. The table does not reflect stock options and director options

because the stock options and director options will not vest, in any part, prior to one year following the date we open for business. The address of our directors and executive officers is the same as our address.

Name	Number of shares subscribed for	Number of shares beneficially owned	Percentage of minimum offering ⁽⁸⁾	Percentage of maximum offering ⁽⁹⁾
Benjamin A. Goff	20,000	30,169 ^{(1), (4), (5)}	2.00%	1.00%
Randall L. Robinson	20,000	30,169 ^{(1), (4), (5)}	2.00%	1.00%
Pablo Alvarado	15,000	22,627 ⁽²⁾⁽⁶⁾	1.50%	0.75%
Brett M. Bingham	20,000	30,169 ^{(1), (7)}	2.00%	1.00%
Karen E. Chapman	15,000	22,627 ⁽²⁾	1.50%	0.75%
Philip J. Gallivan, Jr.	5,000	7,542 ^{(3), (7)}	0.50%	0.25%
Carmen Mitchell Goff	20,000	30,169 ^{(1), (7)}	2.00%	1.00%
Ben A. Goff	20,000	30,169 ^{(1), (7)}	2.00%	1.00%
Teresa L. Goff	20,000	30,169 ^{(1), (7)}	2.00%	1.00%
Fred L. Hill	20,000	30,169 ^{(1), (7)}	2.00%	1.00%
Garrett Jamison	20,000	30,169 ^{(1), (7)}	2.00%	1.00%
Mary Jo "Pete" Kamp	20,000	30,169 ^{(1), (7)}	2.00%	1.00%
Jerry Kelsoe	15,000	22,627 ^{(2), (6)}	1.50%	0.75%
David McBee, Sr.	15,000	22,627 ^{(2), (6)}	1.50%	0.75%
J. Virgil Strange	15,000	22,627 ^{(2), (6)}	1.50%	0.75%
David J. Vanderlaan	20,000	30,169 ^{(1), (7)}	2.00%	1.00%
Truman M. Wolf	15,000	22,627 ^{(2), (6)}	1.50%	0.75%
All organizers, directors and executive officers, as a group (17 persons)	295,000	444,994	26.97%	14.13%

Notes to beneficial ownership table

- (1) Includes organizer warrants to acquire 10,169 shares of common stock.
- (2) Includes organizer warrants to acquire 7,627 shares of common stock.
- (3) Includes organizer warrants to acquire 2,542 shares of common stock.
- (4) Does not include options to purchase 45,000 shares because such options will not be immediately exercisable, but instead, will vest ratably over five years, beginning one year from the date we open for business.
- (5) Does not include director options to purchase 6,200 shares because such options will not be immediately exercisable, but instead, will vest ratably over three years.
- (6) Does not include director options to purchase 7,400 shares because such options will not be immediately exercisable, but instead, will vest ratably over three years.
- (7) Does not include director options to purchase 9,800 shares because such options will not be immediately exercisable, but instead, will vest ratably over three years.
- (8) Based on 1,500,000 shares of stock outstanding, plus the organizer and shareholder warrants beneficially held by the person or group, as applicable.
- (9) Based on 3,000,000 shares of stock outstanding, plus the organizer and shareholder warrants beneficially held by the person or group, as applicable.

RELATED PARTY TRANSACTIONS

We expect to enter into banking and other business transactions in the ordinary course of business with our directors and officers, including members of their families and corporations, partnerships or other organizations in which they have a controlling interest. If these transactions occur, each transaction will be on the following terms:

- in the case of banking transactions, each transaction will be on substantially the same terms, including price or interest rate and collateral, as those prevailing at the time for comparable transactions with unrelated parties, and any banking transactions will not be expected to involve more than the normal risk of collectibility or present other unfavorable features to us;
- in the case of business transactions, each transaction will be on terms no less favorable than could be obtained from an unrelated third party; and

- in the case of all related party transactions, each transaction will be approved by a majority of the directors, including a majority of the directors who do not have an interest in the transaction.

In addition to these transactions, we have entered into certain business transactions with certain of our organizers.

- *Organizational Expenses.* Our operations to date have been funded through advances of \$20,000 made by each of our organizers and through funds drawn upon a \$1.5 million line of credit from The Independent Bankers Bank. Our organizers have provided limited guarantees of any amounts drawn on the line of credit. We intend to repay the direct cash advances from our organizers with draws on the line of credit. In the event that the Bank opens for business, we intend to issue warrants to our organizers for the amounts placed “at risk” as a result of the direct cash advances and/or the limited guarantees of the pre-opening line of credit.
- *Consulting Agreements.* Access FR Capital, Inc. has entered into consulting agreements with Benjamin A. Goff, Randall L. Robinson and Carolyn P. Gardner, who are actively involved in directing the organizational and pre-opening activities of the Bank. Messrs. Goff and Robinson and Ms. Gardner are proposed directors and/or executive officers. The agreements are discussed more fully in the section titled “*Management – Executive Compensation – Consulting Agreements,*” beginning on page 40.

DESCRIPTION OF COMMON STOCK

The following discussion summarizes some of the important rights of our shareholders. This discussion does not purport to be a complete description of these rights and may not contain all of the information regarding our common stock that is important to you. These rights can be determined in full only by reference to federal and state banking laws and regulations, the Texas Business Organizations Code and our charter and bylaws.

General

Our charter will authorize our Board of Directors, without shareholder approval, to issue up to the number of shares of common stock, \$5.00 par value, subscribed for in this offering. As required under Texas law, our initial articles of association will be filed to authorize the exact number of shares to be issued pursuant to subscriptions received in this offering. Immediately after opening the Bank, the articles will be amended to increase the number of authorized shares to 10,000,000 in order to provide for the issuance of the organizer warrants and shares to be issued under the stock incentive plan, as described below. In order to amend the articles, we are asking each subscriber to execute the proxy sheet attached to the subscription agreement and return the executed proxy sheet with your completed subscription agreement. The proxy sheet will allow Benjamin A. Goff and Randall L. Robinson, as proxies, to consent to an amendment to the articles of association to increase the number of authorized shares. The capital stock of the Bank represents non-withdrawable capital and is not insured by the FDIC or any other government agency. The Internal Revenue Code requires the approval of our shareholders of the stock incentive plan in order that the options be treated as incentive stock options. We anticipate that the stock incentive plan will be approved by Benjamin A. Goff and Randall L. Robinson, as proxies, having each subscriber execute the proxy sheet. If it is not approved by proxy, it will be submitted to a vote of our shareholders for approval at a shareholders’ meeting.

All shares of our common stock will be entitled to share equally in dividends from legally available funds, when, as, and if declared by our Board of Directors. We do not anticipate that we will pay any cash dividends on our common stock in the near future. If we were to voluntarily or involuntarily liquidate or dissolve, all shares of our common stock would be entitled to share equally in all of our remaining assets available for distribution to our shareholders, after payment or provision for payment of (i) all debts and liabilities of the Bank (including all deposit accounts and accrued interest thereon), (ii) any accrued dividend claims, and (iii) liquidation preferences of any serial preferred stock that may be issued in the future.

Each holder of common stock will be entitled to one vote for each share on all matters submitted to the shareholders. No cumulative voting, redemption, sinking fund or conversion rights or provisions apply to our common stock. All shares of our common stock issued in the offering as described in this offering circular will be fully paid and non-assessable.

Generally, holders of the Bank's common stock will not have preemptive rights with respect to any additional shares of the common stock that may be issued. For instance, shareholders will not have preemptive rights with respect to shares issued in connection with stock benefit plans approved by the Board of Directors, a merger transaction, or any recapitalization undertaken in response to a regulatory initiative. Therefore, additional shares of capital stock of the Bank may be sold without first offering such shares to existing shareholders of the Bank.

Dividends

Initially, we expect that we will retain all of our earnings to support our operations and to expand our business. Additionally, we are subject to significant regulatory restrictions on the payment of cash dividends, including that we cannot pay any dividends during the first three years of operation without prior regulator approval. In light of those restrictions and the need to retain and build capital, we have no plans to pay dividends until we become profitable and recover any losses incurred during our initial operations. The payment of future dividends and our dividend policy will depend on our earnings, capital requirements and financial condition, as well as other factors that our Board of Directors consider relevant. See "*Supervision and Regulation*" beginning on page 48 for additional discussion of legal and regulatory restrictions on the payment of dividends.

Selected Provisions of Our Articles of Association and Bylaws

Protective Provisions. Certain provisions of our bylaws may be deemed to have anti-takeover effects and may delay, prevent or make more difficult unsolicited tender offers or takeover attempts that a shareholder may consider to be in his or her best interest, including those attempts that might result in a premium over the market price for the shares held by shareholders. These provisions may also have the effect of making it more difficult for third parties to cause the replacement of our current management. These provisions include

- bylaw provisions enabling our Board of Directors to increase, between annual meetings, the number of persons serving as directors and to fill the vacancies created as a result of the increase by a majority vote of the directors present at the meeting;
- bylaw provisions establishing an advance notice procedure with regard to business to be brought before an annual or special meeting of shareholders and with regard to the nomination of candidates for election as directors, other than by or at the direction of the Board of Directors; and
- bylaw provisions allowing our Board of Directors or the President/Chief Executive Officer of the Bank to call special meetings of shareholders of the Bank. A special meeting of shareholders may be called by the shareholders, provided that shareholders representing at least ten percent (10%) of all of the votes entitled to be cast join in the request.

Although our bylaws do not give our Board of Directors any power to approve or disapprove shareholder nominations for the election of directors or proposals for action, they may have the effect of precluding a contest for the election of directors or the consideration of shareholder proposals if the established procedures are not followed, and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its proposal without regard to whether consideration of the nominees or proposals might be harmful or beneficial to us and our shareholders.

Indemnification. Our articles of association provide generally that, to the fullest extent permitted by law, our Bank will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that such person is or was a director, officer, employee or agent of our Bank, against expenses, fines, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person did not engage in willful or intentional misconduct in the performance of his duty to the Bank, or upon a court's determination that despite the adjudication of liability, he is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper. Our articles of association also provide that such person must prevail in the action for which expenses are claimed or indemnification of expenses is included in any settlement or is awarded by a court.

Limitation of Liability. Our articles of association limit the personal liability of our directors and officers in actions brought on our behalf or on behalf of our shareholders for monetary damages as a result of a director's or officer's

acts or omissions while acting in a capacity as a director or officer, with certain exceptions. Consistent with the Texas Business Organizations Code and the Texas Finance Code, as amended, our articles of association do not limit the personal liability of our Directors and officers in connection with:

- the breach of the director's duty of loyalty to the corporation or its shareholders;
- any act or omission not in good faith or which involves intentional misconduct or knowing violation of law; or
- any transaction from which the director derives an improper personal benefit.

Our articles of association also contain a provision that, in the event that Texas law is amended in the future to authorize corporate action further eliminating or limiting the personal liability of directors or eliminating or limiting the personal liability of officers, the liability of a director or officer of the Bank will be eliminated or limited to the fullest extent permitted by law. Our articles of association do not eliminate or limit our right or the right of our shareholders to seek injunctive or other equitable relief not involving monetary damages.

SUPERVISION AND REGULATION

On November 27, 2006, we filed an application with the TDB to organize a Texas state bank and an application with the FDIC for federal deposit insurance. The TDB officially accepted our application on December 29, 2006. Each of these applications is pending. In order to receive final approval of our application for deposit insurance from the FDIC, the FDIC will have to reach a favorable determination with respect to each of the following factors: (i) our financial condition; (ii) the adequacy of our capital structure; (iii) our future earnings prospects; (iv) the general character and fitness of our management team; (v) the risk we present to the deposit insurance fund; (vi) the convenience and needs of the community we will serve; and (vii) whether our corporate powers are consistent with the purposes of applicable statutes and regulations. To receive final approval and obtain our certificate of authorization from the TDB, we will be required to satisfy all pre-opening conditions, which we expect will include that we (i) raise capital of at least \$15 million, before organizational and other pre-opening expenses; and (ii) implement appropriate banking policies and procedures. In addition, in order to receive final approval of our charter application with the TDB, the TDB will have to reach a favorable determination with respect to certain factors, including but not limited to: (i) that the convenience and needs of the community will be promoted by establishment of the Bank; (ii) that the organizational and capital structure, and the amount of initial capital, is adequate for the Bank's business plan; (iii) that the anticipated volume and nature of the business of the Bank indicates a reasonable probability of success and profitability based upon the Bank's primary service area; and (iv) the Bank's proposed officers and directors as a group have sufficient banking experience, ability, standing, competence and integrity to justify a belief that the Bank will operate in compliance with the law and that the success of the Bank is probable

Upon TDB approval to organize as a Texas state bank and FDIC approval of insurance on deposits, we will be subject to various requirements and restrictions under the laws of the United States, and to regulation, supervision and regular examination by the TDB and the FDIC, as the insurer of certain deposits. We will be required to file reports with the TDB and the FDIC concerning our activities and financial condition in addition to obtaining regulatory approvals before entering into certain transactions such as mergers with, or acquisitions of, other financial institutions. The regulators have the power to enforce compliance with applicable banking statutes and regulations. Those regulations include requirements to maintain reserves against deposits, restrictions on the nature and amount of loans that may be made and the interest that may be charged on loans, and restrictions relating to investments and other activities of the Bank.

Banking is a complex, highly regulated industry. Consequently, our growth and earnings performance can be affected, not only by management decisions and general and local economic conditions, but also by the statutes administered by, and the regulations and policies of, various governmental regulatory authorities. These authorities include, but are not limited to, the Federal Reserve, the FDIC, the TDB, the Internal Revenue Service and state taxing authorities. The effect of these statutes, regulations and policies and any changes to any of them can be significant and cannot be predicted.

The primary goals of the bank regulatory scheme are to maintain a safe and sound banking system and to facilitate the conduct of sound monetary policy. In furtherance of those goals, the U.S. Congress and the individual states have created numerous regulatory agencies and enacted numerous laws that govern banks and the banking industry. The

system of supervision and regulation applicable to us establishes a comprehensive framework for our operations and is intended primarily for the protection of the FDIC's deposit insurance funds, our depositors and the public, rather than the shareholders and creditors. The following is an attempt to summarize some of the relevant laws, rules and regulations governing banks. This summary does not purport to be a complete summary of all applicable laws, rules and regulations governing banks and bank holding companies. The descriptions are qualified in their entirety by reference to the specific statutes and regulations discussed.

Branching. Under current state law, Texas state banks are permitted to establish branch offices in any state with prior regulatory approval. In addition, with prior regulatory approval, Texas state banks are permitted to acquire branches of existing banks located in Texas. Finally, Texas state banks generally may branch across state lines by merging with banks in other states if allowed by the applicable state's law. If the resulting bank is a Texas state bank, the merger is subject to Texas state law. If the resulting bank is an out-of-state bank, the merger will be subject to the laws of that state. Texas law, with limited exceptions, currently permits branching across state lines through interstate mergers. Under the Federal Deposit Insurance Act, states may "opt-in" and allow out-of-state banks to branch into their state by establishing a new start-up branch in the state. Texas law currently permits *de novo* branching into the state of Texas on a reciprocal basis, meaning that an out-of-state bank may establish a new start-up branch in Texas only if its home state has also elected to permit *de novo* branching into that state.

Deposit Insurance Assessments. Banks must pay assessments to the FDIC for federal deposit insurance protection. The FDIC has adopted a risk-based assessment system as required by the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"). Under this system, FDIC-insured depository institutions pay insurance premiums at rates based on their risk classification. Institutions assigned to higher risk classifications (that is, institutions that pose a higher risk of loss to their respective deposit insurance funds) pay assessments at higher rates than institutions that pose a lower risk. An institution's risk classification is assigned based on its capital levels and the level of supervisory concern the institution poses to the regulators. In addition, the FDIC can impose special assessments in certain instances. The FDIC may terminate its insurance of deposits if it finds that the institution has engaged in unsafe and unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, rule, order, or condition imposed by the FDIC. Our deposit insurance assessment may increase or decrease depending on the risk assessment classification to which we are assigned by the FDIC. Any increase in insurance assessments could have an adverse effect on our earnings.

Dividends. The Bank is required by state law to obtain prior approval of the TDB for payments of dividends out of its capital stock and certified surplus. In addition, under FDICIA, we may not pay any dividend if the payment of the dividend would cause us to become "undercapitalized" or in the event the Bank is "undercapitalized." The FDIC may further restrict the payment of dividends by requiring that we maintain a higher level of capital than would otherwise be required to be "adequately capitalized" for regulatory purposes. Moreover, if, in the opinion of the FDIC, we are engaged in an unsound practice (which could include the payment of dividends), the FDIC may require, generally after notice and hearing, that we cease such practice. The FDIC has indicated that paying dividends that deplete a depository institution's capital base to an inadequate level would be an unsafe banking practice. Moreover, the FDIC has also issued policy statements providing that insured depository institutions generally should pay dividends only out of current operating earnings.

Expanded Financial Activities. The "Gramm-Leach-Bliley Financial Services Modernization Act of 1999," expands the types of activities in which a holding company may engage. Subject to various limitations, the act generally permits holding companies to elect to become financial holding companies and, along with national banks, conduct certain expanded financial activities related to insurance and securities, including securities underwriting, dealing and market making; sponsoring mutual funds and investment companies; insurance underwriting and agency activities; merchant banking activities; and activities that the Federal Reserve has determined to be closely related to banking. The Gramm-Leach-Bliley Act also provides that state-chartered banks meeting the above requirements may own or invest in "financial subsidiaries" to conduct activities that are financial in nature, with the exception of insurance underwriting and merchant banking, although five years after enactment, regulators will be permitted to consider allowing financial subsidiaries to engage in merchant banking. Banks with financial subsidiaries must establish certain firewalls and safety and soundness controls and must deduct their equity investment in such subsidiaries from their equity capital calculations. Expanded financial activities of financial holding companies and national banks generally will be regulated according to the type of such financial activity: banking activities by banking regulators, securities activities by securities regulators, and insurance activities by insurance regulators. Pursuant to Section 32-1-362 of the Texas Bank Act, a Texas state-chartered bank, upon satisfying certain conditions, generally may engage in any activity in which a national bank can

engage. Accordingly, a Texas state-chartered bank generally may engage in certain expanded financial activities as described above. We currently have no plans to conduct any activities through financial subsidiaries.

Check Clearing for the 21st Century Act. On October 28, 2003, President Bush signed into law the “Check Clearing for the 21st Century Act,” also known as “Check 21.” The new law, which became effective on October 28, 2004, gives “substitute checks,” such as a digital image of a check and copies made from that image, the same legal standing as the original paper check. Some of the major provisions include:

- allowing check truncation without making it mandatory;
- demanding that every financial institution communicate to accountholders in writing a description of its substitute check processing program and their rights under the law;
- legalizing substitutions for and replacements of paper checks without agreement from consumers;
- retaining in place the previously mandated electronic collection and return of checks between financial institutions only when individual agreements are in place;
- requiring that when accountholders request verification, financial institutions produce the original check (or a copy that accurately represents the original) and demonstrate that the account debit was accurate and valid; and
- requiring recrediting of funds to an individual’s account on the next business day after a consumer alerts the financial institution to the error.

This legislation has affected bank capital spending as many financial institutions have begin to implement technological or operational changes to stay competitive and take advantage of the opportunities presented by Check 21.

Community Reinvestment Act. The Community Reinvestment Act requires that, in connection with examinations of financial institutions within their respective jurisdictions, the FDIC must evaluate the record of each financial institution in meeting the credit needs of its local community, including low and moderate-income neighborhoods. These facts also are considered in evaluating mergers, acquisitions, and applications to open a branch or facility. Failure to adequately meet these criteria could subject us to additional requirements and limitations. Because our aggregate assets will be less than \$250 million when the Bank opens for business, under the Gramm-Leach-Bliley Act, we will be subject to a Community Reinvestment Act examination only once every 60 months if we receive an outstanding rating, once every 48 months if we receive a satisfactory rating and as needed if our rating is less than satisfactory. Additionally, we must publicly disclose the terms of various Community Reinvestment Act-related agreements.

Deposit insurance assessments. Under current FDIC rules, Banks must pay assessments to the FDIC for federal deposit insurance protection. The FDIC has adopted a risk-based assessment system as required by the FDICIA. Under this system, FDIC-insured depository institutions pay insurance premiums at rates based on their risk classification. Institutions assigned to higher risk classifications (that is, institutions that pose a risk of loss to their respective deposit insurance funds) pay assessments at higher rates than institutions that pose a lower risk. An institution’s risk classification is assigned based on its capital levels and the level of supervisory concern the institution poses to the regulators. In addition, the FDIC can impose special assessments in certain instances. The FDIC may terminate its insurance of deposits if it finds that the institution has engaged in unsafe and unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, rule, order, or condition imposed by the FDIC. New FDIC assessment rules were proposed on July 11, 2006, however, that may change the method in which FDIC insurance premiums are assessed upon FDIC-insured institutions. The changes will likely not be in place until 2007.

Other Regulations. Interest and other charges that we collect or contract for will be subject to state usury laws and federal laws concerning interest rates. Our loan operations also are subject to federal laws applicable to credit transactions, such as:

- the federal “Truth-In-Lending Act,” governing disclosures of credit terms to consumer borrowers;

- the “Home Mortgage Disclosure Act,” requiring financial institutions to provide information to enable the public and public officials to determine whether a financial institution is fulfilling its obligation to help meet the housing needs of the community it serves;
- the “Equal Credit Opportunity Act,” prohibiting discrimination on the basis of race, creed or other prohibited factors in extending credit;
- the “Fair Credit Reporting Act,” governing the use and provision of information to credit reporting agencies;
- the “Fair Debt Collection Act,” governing the manner in which consumer debts may be collected by collection agencies; and
- the rules and regulations of the various governmental agencies charged with the responsibility of implementing these federal laws.

In addition, our deposit operations will be subject to the “Electronic Funds Transfer Act” and Regulation E issued by the Federal Reserve to implement that act, which govern automatic deposits to and withdrawals from deposit accounts and customers’ rights and liabilities arising from the use of automated teller machines and other electronic banking services.

Capital Adequacy. The FDIC and the TDB use a combination of risk-based guidelines and a leverage ratio to evaluate our capital adequacy and consider these capital levels when taking action on various types of applications and when conducting supervisory activities related to our safety and soundness.

The risk-based capital standards are designed to make regulatory capital requirements more sensitive to differences in risk profiles among financial institutions and their holding companies, to account for off-balance sheet exposure, and to minimize disincentives for holding liquid assets. Assets and off-balance sheet items, such as letters of credit and unfunded loan commitments, are assigned to broad risk categories, each with appropriate risk weights. The resulting capital ratios represent capital as a percentage of total risk-weighted assets and off-balance sheet items.

FDIC regulations will require us to maintain to meet three minimum capital standards: (i) a Tier 1 capital to adjusted total assets ratio, or “leverage capital ratio,” of at least 4% (3% for banks receiving the highest CAMELS rating), a Tier 1 capital to risk-weighted assets ratio, or “Tier 1 risk-based capital ratio,” of at least 4% and a total risk-based capital to risk-weighted assets ratio, or “total risk-based capital ratio,” of at least 8%. These capital requirements are minimum requirements. Higher capital levels will be required if warranted by the particular circumstances or risk profiles of individual institutions. For example, FDIC regulations provide that higher capital may be required to take adequate account of, among other things, interest rate risk and the risks posed by concentrations of credit, nontraditional activities or securities trading activities. In addition, the prompt corrective action standards discussed below, in effect, increase the minimum regulatory capital ratios for banking organizations.

The risk-based capital standards for banks require the maintenance of Tier 1 (core) and total capital (which is defined as core capital and supplementary capital) to risk-weighted assets of at least 4% and 8%, respectively. In determining the amount of risk-weighted assets, all assets, including certain off-balance sheet assets, are multiplied by a risk-weight factor of 0% to 100% assigned by the FDIC based on the risks believed inherent in the type of asset. Core capital is defined as common stockholders’ equity (including retained earnings), certain noncumulative perpetual preferred stock and related surplus and minority interests in equity accounts of consolidated banking subsidiaries, less intangibles other than certain mortgage servicing rights and credit card relationships. The components of supplementary capital currently include cumulative preferred stock, long-term perpetual preferred stock, mandatory convertible securities, subordinated debt and intermediate preferred stock, the allowance for loan and lease losses limited to a maximum of 1.25% of risk-weighted assets and up to 45% of net unrealized gains on available-for-sale equity securities with readily determinable fair market values. Overall, the amount of supplementary capital included as part of total capital cannot exceed 100% of core capital.

Failure to meet capital guidelines could subject us to a variety of enforcement remedies, including issuance of a capital directive, the termination of deposit insurance by the FDIC, a prohibition on accepting brokered deposits, and other restrictions on our business.

Prompt Corrective Action Regulations. Under the prompt corrective action regulations, the FDIC is required and authorized to take supervisory actions against undercapitalized banks. For this purpose, a bank is placed in one of the following five categories based on the bank's capital:

- well-capitalized (at least 5% leverage capital, 6% Tier 1 risk-based capital and 10% total risk-based capital);
- adequately capitalized (at least 4% leverage capital, 4% Tier 1 risk-based capital and 8% total risk-based capital);
- undercapitalized (less than 4% leverage capital, 8% total risk-based capital, or 4% Tier 1 risk-based capital);
- significantly undercapitalized (less than 3% leverage capital, 6% total risk-based capital, or 3% Tier 1 risk-based capital); and
- critically undercapitalized (less than 2% tangible capital).

Federal banking regulators are required to take various mandatory supervisory actions and are authorized to take other discretionary actions with respect to institutions in the three undercapitalized categories. The severity of the action depends upon the capital category in which the institution is placed. Generally, subject to a narrow exception, banking regulators must appoint a receiver or conservator for an institution that is "critically undercapitalized." The federal banking agencies have specified by regulation the relevant capital level for each category. An institution that is categorized as "undercapitalized," "significantly undercapitalized," or "critically undercapitalized" is required to submit an acceptable capital restoration plan to its appropriate federal banking agency.

Restrictions on Transactions with Affiliates and Loans to Insiders. We are subject to the provisions of Section 23A of the Federal Reserve Act and state banking laws that place limits on transactions with insiders. These provisions place limits on the amount of:

- our loans or extensions of credit to affiliates;
- our investment in affiliates;
- assets that we may purchase from affiliates, except for real and personal property exempted by the Federal Reserve;
- the amount of loans or extensions of credit to third parties collateralized by the securities or obligations of affiliates; and
- our guarantee, acceptance or letter of credit issued on behalf of an affiliate.

Section 23A of the Federal Reserve Act limits the total amount of the above transactions, as to any one affiliate, to 10% of our capital and surplus and, as to all affiliates combined, to 20% of our capital and surplus. In addition to the limitation on the amount of these transactions, each of the above transactions must also meet specified collateral requirements. We must also comply with other provisions designed to avoid the taking of low-quality assets from an affiliate.

We also are subject to the provisions of Section 23B of the Federal Reserve Act which, among other things, prohibit us from engaging in any transaction with an affiliate unless the transaction is on terms substantially the same, or at least as favorable to us or our subsidiaries, as those prevailing at the time for comparable transactions with nonaffiliated companies.

We also are subject to restrictions on extensions of credit to our executive officers, directors, principal shareholders and their related interests. These extensions of credit: (i) must be made on substantially the same terms,

including interest rates and collateral, as those prevailing at the time for comparable transactions with third parties and (ii) must not involve more than the normal risk of repayment or present other unfavorable features.

Federal Change in Control Regulations. FDIC regulations and state banking law require prior written notice by any person, or any group acting in concert, seeking to acquire control over an insured institution. “Control” generally means the power to direct the management or the policies of the insured institution or the holding of 25% or more of any class of its outstanding voting securities. The bank regulatory agencies presume that the acquisition of a bank’s voting stock of any class is considered acquisition of control if immediately after such acquisition the acquiring person or group of persons will hold 10% or more of any class of outstanding voting securities of the bank and either: (i) the institution’s securities are registered under the Exchange Act; or (ii) no other person holds, alone or in concert with others a greater amount of a class of voting shares of the institution. Exemptions may apply with respect to certain transactions. The bank regulatory agencies may disapprove any acquisition of control under the following circumstances:

- If the proposed acquisition of control would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize the banking business in any part of the United States;
- If the effect of the proposed acquisition of control in any section of the United States may be to substantially lessen competition or to tend to create a monopoly or would in any other manner be in restraint of trade, and the anticompetitive effects of the proposed acquisition of control are not clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served;
- If the financial condition of any acquiring person might jeopardize the financial stability of the bank or prejudice the interests of the depositors of the bank;
- If the competence, experience, or integrity of any acquiring person or of any of the proposed management personnel indicates that it would not be in the interest of the depositors of the bank, or in the interest of the public, to permit such person to control the bank;
- If any acquiring person neglects, fails, or refuses to furnish to the regulatory agency all the information required by the agency; or
- If the FDIC determines that the proposed acquisition would result in an adverse effect on the Bank Insurance Fund or the Savings Association Insurance Fund.

Privacy. Under the “Right to Financial Privacy Act,” which imposes a duty to maintain confidentiality of consumer financial records and prescribes procedures for complying with administrative subpoenas of financial records, financial institutions are required to disclose their policies for collecting and protecting confidential information. Customers generally may prevent financial institutions from sharing personal financial information with nonaffiliated third parties except for third parties that market the institutions’ own products and services. Additionally, financial institutions generally may not disclose consumer account numbers to any nonaffiliated third party for use in telemarketing, direct mail marketing or other marketing through electronic mail to consumers.

Anti-Terrorism Legislation. In the wake of the tragic events of September 11th, on October 26, 2001, the President signed into law the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001. Also known as the “Patriot Act,” the law enhances the powers of the federal government and law enforcement organizations to combat terrorism, organized crime and money laundering. The Patriot Act significantly amends and expands the application of the Bank Secrecy Act, including enhanced measures regarding customer identity, new suspicious activity reporting rules and enhanced anti-money laundering programs.

Under the Patriot Act, financial institutions are subject to prohibitions against specified financial transactions and account relationships as well as enhanced due diligence and “know your customer” standards in their dealings with foreign financial institutions and customers. For example, the enhanced due diligence policies, procedures and controls generally require financial institutions to take reasonable steps:

- to conduct enhanced scrutiny of account relationships to guard against money laundering and report any suspicious transaction;

- to ascertain the identity of the nominal and beneficial owners of, and the source of funds deposited into, each account as needed to guard against money laundering and report any suspicious transactions;
- to ascertain for any foreign bank, the shares of which are not publicly traded, the identity of the owners of the foreign bank and the nature and extent of the ownership interest of each such owner; and
- to ascertain whether any foreign bank provides correspondent accounts to other foreign banks and, if so, the identity of those foreign banks and related due diligence information.

Under the Patriot Act, financial institutions must also establish anti-money laundering programs. The Patriot Act sets forth minimum standards for these programs, including: (i) the development of internal policies, procedures and controls; (ii) the designation of a compliance officer; (iii) an ongoing employee training program; and (iv) an independent audit function to test the adequacy of such programs.

In addition, the Patriot Act requires bank regulatory agencies to consider the record of a bank in combating money laundering activities in their evaluation of bank and bank holding company merger or acquisition transactions. Regulations proposed by the U.S. Department of the Treasury to effect certain provisions of the Patriot Act provide that all transaction or other correspondent accounts held by a U.S. financial institution on behalf of any foreign bank must be closed within 90 days after the final regulations are issued, unless the foreign bank has provided the U.S. financial institution with a means of verification that the institution is not a “shell bank.” Proposed regulations interpreting other provisions of the Patriot Act continue to be issued.

Under the authority of the Patriot Act, the Secretary of the Treasury adopted rules on September 26, 2002 increasing the cooperation and information sharing among financial institutions, regulators and law enforcement authorities regarding individuals, entities and organizations engaged in, or reasonably suspected based on credible evidence of engaging in, terrorist acts or money laundering activities. Under those rules, a financial institution is required to:

- expeditiously search its records to determine whether it maintains or has maintained accounts, or engaged in transactions with individuals or entities, listed in a request submitted by the Financial Crimes Enforcement Network (“FinCEN”);
- notify FinCEN if an account or transaction is identified;
- designate a contact person to receive information requests;
- limit use of information provided by FinCEN to: (i) reporting to FinCEN, (ii) determining whether to establish or maintain an account or engage in a transaction and (iii) assisting the financial institution in complying with the Bank Secrecy Act; and
- maintain adequate procedures to protect the security and confidentiality of FinCEN requests.

Under the new rules, a financial institution may also share information regarding individuals, entities, organizations and countries for purposes of identifying and, as appropriate, reporting activities that it suspects may involve possible terrorist activity or money laundering. Such information-sharing is protected under a safe harbor if the financial institution: (i) notifies FinCEN of its intention to share information, even when sharing with an affiliated financial institution; (ii) takes reasonable steps to verify that, prior to sharing, the financial institution or association of financial institutions with which it intends to share information has submitted a notice to FinCEN; (iii) limits the use of shared information to identifying and reporting on money laundering or terrorist activities, determining whether to establish or maintain an account or engage in a transaction, or assisting it in complying with the Bank Security Act; and (iv) maintains adequate procedures to protect the security and confidentiality of the information. Any financial institution complying with these rules will not be deemed to have violated the privacy requirements discussed above.

The Secretary of the Treasury also adopted a rule on September 26, 2002 intended to prevent money laundering and terrorist financing through correspondent accounts maintained by U.S. financial institutions on behalf of foreign banks. Under the rule, financial institutions: (i) are prohibited from providing correspondent accounts to foreign shell banks; (ii) are required to obtain a certification from foreign banks for which they maintain a correspondent account

stating the foreign bank is not a shell bank and that it will not permit a foreign shell bank to have access to the U.S. account; (iii) must maintain records identifying the owner of the foreign bank for which they may maintain a correspondent account and its agent in the United States designated to accept services of legal process; and (iv) must terminate correspondent accounts of foreign banks that fail to comply with or fail to contest a lawful request of the Secretary of the Treasury or the Attorney General of the United States, after being notified by the Secretary or Attorney General.

Sarbanes-Oxley Act of 2002. The Sarbanes-Oxley Act of 2002 was enacted in response to public concerns regarding corporate accountability in connection with certain accounting scandals. The stated goals of the Sarbanes-Oxley Act are to increase corporate responsibility, to provide for enhanced penalties for accounting and auditing improprieties at publicly traded companies, and to protect investors by improving the accuracy and reliability of corporate disclosures pursuant to the securities laws.

The Sarbanes-Oxley Act, among other things, requires the Securities and Exchange Commission and national securities exchanges to adopt extensive additional disclosure, corporate governance and other related rules, and mandates further studies of certain issues by the Securities and Exchange Commission. The Sarbanes-Oxley Act represents significant federal involvement in matters traditionally left to state regulatory systems, such as the regulation of the accounting profession, and to state corporate law, such as the relationship between a board of directors and management and between a board of directors and its committees.

We may incur additional expense in complying with the provisions of the Sarbanes-Oxley Act and the regulations that have been promulgated to implement the Sarbanes-Oxley Act, particularly those regulations relating to the establishment of internal controls over financial reporting.

The provisions of the Sarbanes-Oxley Act described above will not apply to us unless we have 500 or more record shareholders on the first day of any calendar year after we open for business. However, even if the provisions of the Sarbanes-Oxley Act are not directly applicable to us, the FDIC has adopted policies and procedures that provide similar requirements to FDIC-insured banks that are not public companies and has indicated that certain of the provisions of the Sarbanes-Oxley Act that may not be directly applicable to the FDIC-insured banks are nonetheless sound corporate governance practices. Accordingly, our Board of Directors intends to consider the appropriateness of the application of the provisions of the Sarbanes-Oxley Act as a corporate best practice even in the absence of its application as a matter of law.

Proposed Legislation and Regulatory Action. New regulations and statutes are regularly proposed that contain wide-ranging proposals for altering the structures, regulations and competitive relationships of financial institutions operating in the United States. We cannot predict whether or in what form any proposed regulation or statute will be adopted or the extent to which our business may be affected by any new regulation or statute.

Effect of Governmental Monetary Policies. The commercial banking business is affected not only by general economic conditions but also by both U.S. fiscal policy and the monetary policies of the Federal Reserve. Some of the instruments of fiscal and monetary policy available to the Federal Reserve include changes in the discount rate on member bank borrowings, the fluctuating availability of borrowings at the “discount window,” open market operations, the imposition of and changes in reserve requirements against member banks’ deposits and assets of foreign branches, the imposition of and changes in reserve requirements against certain borrowings by banks and their affiliates, and the placing of limits on interest rates that member banks may pay on time and savings deposits. Such policies influence to a significant extent the overall growth of bank loans, investments, and deposits and the interest rates charged on loans or paid on time and savings deposits. We cannot predict the nature of future fiscal and monetary policies and the effect of such policies on the future business and our earnings.

All of the above laws and regulations add significantly to the cost of operating the Bank and thus have a negative impact on our profitability. We also note that there has been a tremendous expansion experienced in recent years by certain financial service providers that are not subject to the same rules and regulations as we are. Those institutions, because they are not so highly regulated, have a competitive advantage over us and may continue to draw large amounts of funds away from traditional banking institutions, with a continuing adverse effect on the banking industry in general.

LEGAL PROCEEDINGS

There are no material legal proceedings pending or, to our knowledge, threatened against us.

FINANCIAL STATEMENTS

The unaudited balance sheet and income statement for Access FR Capital, Inc., the corporation we formed to help facilitate the Bank's organization, as of and for the period ending December 31, 2006 are being delivered to you with this offering circular. See page F-1.

REPORTS TO SHAREHOLDERS

We will be required to register our common stock with the FDIC under section 12 of the Securities Exchange Act of 1934 at such time that we have 500 or more stockholders of record and more than \$10 million of assets. In the event of our registration, the requirements of sections 12, 13, 14 and 16 of the Securities Exchange Act will be applicable to us, as administered by the FDIC. In addition, any bank that is subject to the public reporting must comply with the Sarbanes-Oxley Act of 2002, including provisions related to auditor independence, corporate responsibility, internal controls and enhanced financial disclosures. As a public reporting bank, we would file reports with the FDIC instead of the SEC under section 12(i) of the Securities Exchange Act. The implementing FDIC regulation is located in 12 C.F.R. Part 335. The Sarbanes-Oxley Act expanded section 12(i) to give the FDIC and other federal banking agencies the authority to administer and enforce certain of the new requirements established by the Sarbanes-Oxley Act for the depository institutions they regulate. In addition, Section 906 of the Sarbanes-Oxley Act is a criminal provision that would require our periodic reports filed with the FDIC to be accompanied by Chief Executive Officer and Chief Financial Officer certifications related to fair presentation, in all material respects, of the financial statements.

ADDITIONAL INFORMATION

The shares of common stock offered hereby have not been registered with the Securities and Exchange Commission in reliance upon the exemption provided by Section 3(a)(5) of the Securities Act of 1933. We have, however, submitted this offering circular to the FDIC for review and comment.

We have filed or will file various regulatory applications with the FDIC and TDB. These applications and the information they contain are not incorporated into this offering circular. You should rely only on information contained in this offering circular in making an investment decision. To the extent that other available information not presented in this offering circular, including information available from us and information in public files and records maintained by the FDIC and the TDB is inconsistent with information presented in this offering circular or provides additional information, that information is superseded by the information presented in this offering circular and should not be relied on. Projections appearing in the applications are based on assumptions that we believe are reasonable but as to which we can make no assurances. We specifically disaffirm those projections for purposes of this offering circular and caution you against relying on them for purposes of making an investment decision.

After we open for business, we will be required to file quarterly financial information with the Federal Deposit Insurance Corporation. That financial information, which will be in the form of a Report of Condition and Income, will be available on the FDIC's website at www.fdic.gov. In the event that we are not required to register our stock under section 12 of the Securities Exchange Act, we will not be required, and do not intend initially, to independently provide shareholders with a copy of our annual audited financial statements.

[This Page Intentionally Left Blank]

FINANCIAL STATEMENTS
(Unaudited)

Access FR Capital, Inc., Inc,
Balance Sheet
As of December 31, 2006

ASSETS

Current Assets

Checking/Savings

The Bankers Bank of Georgia \$ 20,212.71

The Independent BankersBank 70,567.09

Total Checking/Savings \$ 90,779.80

Total Current Assets \$ 90,779.80

Receivables

Access 1st Capital Bank \$447,818.33

Total Receivables \$447,818.33

TOTAL ASSETS \$538,598.13

LIABILITIES & EQUITY

Liabilities

Organizer Advances \$ 29,839.72

Organizer Loan \$500,000.00

Payables 8,758.41

Total Liabilities \$538,598.13

Equity

Opening Bal Equity \$ 0

Retained Earnings \$ 0

Net income \$ 0

Total Equity \$ 0

TOTAL LIABILITIES & EQUITY \$538,598.13

Access FR Capital, Inc.
Sources and Use of Funds
February 28, 2006 through December 31, 2006

Beginning Cash	\$ 0
Sources	
Organizer Advances	\$360,000.00
Organizer Loan	500,000.00
Deferred Consulting Fees	<u>38,598.13</u>
Total Sources	<u>\$898,598.13</u>
Usage	
Consulting	\$382,641.60
Organizer Advances Repayment	360,000.00
Attorney Fees	41,144.64
Bank Application Fees	10,000.00
Travel	4,889.82
Fingerprinting	356.55
Bank Fees	<u>27.31</u>
Total Usage	<u>\$807,818.33</u>
Ending Cash	\$ 90,779.80

[This Page Intentionally Left Blank]

APPENDIX A

**SUBSCRIPTION AGREEMENT
ACCESS 1ST CAPITAL BANK**

[This Page Intentionally Left Blank]

[This Page Intentionally Left Blank]

APPENDIX B

**PROXY SHEET
ACCESS 1ST CAPITAL BANK**

[This Page Intentionally Left Blank]

**PROXY SHEET
ACCESS 1ST CAPITAL BANK**

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Benjamin A. Goff and Randall L. Robinson, each with power to appoint his substitute, and hereby authorizes them to represent and to consent (pursuant to that certain written consent of shareholders), as designated below, all of the shares of common stock of Access 1st Capital Bank (the "Bank") held of record by the undersigned on the date of opening of the Bank, as follows:

1. To adopt the amendment to the third article (Article Third) of the Articles of Association of the Bank to increase the number of authorized shares to 10,000,000, and that Article Third of the Articles of Association be amended to read as follows:

"THIRD

This Association shall have the authority to issue an aggregate of 10,000,000 shares of capital stock, all of which are designated as common stock having a par value of five dollars (\$5.00) per share."

FOR **AGAINST** **ABSTAIN**

2. To elect the following persons to serve as directors:

Benjamin A. Goff	Randall L. Robinson	Pablo Alvarado
Brett M. Bingham	Truman M. Wolf	Philip J. Gallivan, Jr.
Carmen Mitchell Goff	Ben A. Goff	Teresa L. Goff
Fred L. Hill	Garrett H. Jamison	Mary Jo "Pete" Kamp
David J. Vanderlaan	David A. McBee, Sr.	J. Virgil Strange
Jerry M. Kelsoe		

FOR **AGAINST**

FOR, EXCEPT FOR THE FOLLOWING:

3. To approve the Access 1st Capital Bank 2007 Stock Incentive Plan.

FOR **AGAINST** **ABSTAIN**

IF PROPERLY EXECUTED, THIS PROXY WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER(S). IF NO DIRECTION IS MADE AND THIS PROXY IS PROPERLY EXECUTED, THIS PROXY WILL BE VOTED "FOR" THE PROPOSALS DESCRIBED ABOVE. THE PROXY WILL USE HIS DISCRETION WITH RESPECT TO ANY PROCEDURAL MATTERS THAT MAY BE PROPERLY PRESENTED IN THAT CERTAIN WRITTEN CONSENT OF THE SHAREHOLDERS.

The undersigned hereby revokes any and all proxies with respect to such shares heretofore given by the undersigned. Please sign exactly as name appears below. When shares are held by two or more persons as joint tenants, both or all should sign. When signing as attorney, executor, administrator, trustee or guardian or in another fiduciary capacity or representative capacity, please give full title as such. If a corporation, please sign in full corporate name by president or other authorized officer. If a partnership, please sign in partnership name by authorized person.

PLEASE MARK, SIGN, DATE AND RETURN
THIS PROXY PROMPTLY WITH YOUR
SUBSCRIPTION AGREEMENT.

Dated: _____, 2007

Printed Name

Number of Shares

Signature

Signature if held jointly

[This Page Intentionally Left Blank]

APPENDIX C

**2007 STOCK INCENTIVE PLAN
ACCESS 1ST CAPITAL BANK**

[This Page Intentionally Left Blank]

**ACCESS 1ST CAPITAL BANK
2007 STOCK INCENTIVE PLAN**

1. PURPOSE

The 2007 Stock Incentive Plan (“Plan”) is intended to promote shareholder value by (a) enabling Access 1st Capital Bank (“Bank”) and its affiliates to attract and retain the best available individuals for positions of substantial responsibility; (b) providing additional incentive to such persons by affording them an equity participation in the Bank; (c) rewarding those directors, executive officers, employees, and non-employee shareholders for their contributions to the Bank; and (d) promoting the success of the Bank’s business by aligning the financial interests of directors, executive officers and employees providing personal services to the Bank or its affiliates with long-term shareholder value.

2. DEFINITIONS

(A) “Act” means the Securities Exchange Act of 1934, as amended, or any successor provisions.

(B) “Affiliate” means (i) any entity that, directly or indirectly, is controlled by the Bank, (ii) an entity in which the Bank has a significant equity interest, (iii) an affiliate of the Bank, as defined in Rule 12b-2 promulgated under the Act, (iv) any Subsidiary and (v) any entity in which the Bank has at least twenty percent (20%) of the combined voting power of the entity’s outstanding voting securities, in each case as designated by the Board of Directors as being a participant employer in the Plan.

(C) “Bank” means Access 1st Capital Bank, a Texas state bank, and except as otherwise specified in this Plan in a particular context, any successor thereto, whether by merger, consolidation, purchase of all or substantially all of its assets or otherwise.

(D) “Board of Directors” means the board of directors of the Bank.

(E) “Change of Control” means:

(i) the acquisition by any individual, entity or “group,” within the meaning of section 13(d)(3) or section 14(d)(2) of the Act (other than the current members of the Board of Directors or any of their descendants, the Bank, or any savings, pension or other benefit plan for the benefit of the employees of the Bank or subsidiaries thereof)(a “Person”), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of voting securities of the Bank where such acquisition causes any such Person to own fifty percent (50%) or more of the combined voting power of the Bank’s then outstanding capital stock then entitled to vote generally in the election of directors;

(ii) within any twelve-month period, the persons who were directors of the Bank immediately before the beginning of the twelve-month period (the “Incumbent Directors”) shall cease to constitute at least a majority of the Board of Directors; provided that any individual becoming a director subsequent to the beginning of such twelve-month period whose election, or nomination for election by the Bank’s shareholders, was approved by at least two-thirds of the directors then comprising the Incumbent Directors shall be considered as though such individual were an Incumbent Director unless such individual’s initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Act);

(iii) a reorganization, merger, consolidation or other corporate transaction involving the Bank with respect to which the shareholders of the Bank immediately prior to such transaction do not, immediately after the transaction, own more than fifty percent (50%) of the combined voting power of the reorganized, merged or consolidated company’s then outstanding voting securities;

(iv) the sale, transfer or assignment of all or substantially all of the assets of the Bank to any third party;

(v) a dissolution or liquidation of the Bank; or

(vi) any other transactions or series of related transactions occurring which have substantially the same effect as the transactions specified in clauses (i) – (v), as determined by the Board of Directors.

(F) “Code” means the Internal Revenue Code of 1986, as amended, or any successor provisions.

(G) “Committee” means the committee appointed by the Board of Directors to administer the Plan pursuant to Section 4. If the Committee has not been appointed, the Board of Directors in its entirety shall constitute the Committee. The Board of Directors shall consider the advisability of whether the members of the Committee shall consist solely of two or more members of the Board of Directors who are each “outside directors” as defined in Treas. Reg. section 1.162-27(e)(3) as promulgated by the Internal Revenue Service and “non-employee directors” as defined in Rule 16b-3(b)(3) as promulgated under the Act.

(H) “Controlling Participant” means any person who, immediately before an Option is granted to that particular person, directly or indirectly (within the meaning of section 424 of the Code and the regulations promulgated thereunder) possesses more than ten percent (10%) of the total combined voting power of all classes of stock of the Bank or any Subsidiary. The determination of whether a person is a Controlling Participant shall be made in accordance with sections 422 and 424 of the Code, or any successor provisions, and the regulations promulgated thereunder.

(I) “Exercise Price” means the price at which a share of Stock may be purchased by a Participant pursuant to the exercise of an Option, as specified in the respective Stock Option Agreement.

(J) “Fair Market Value” on any date with respect to the Stock means:

(i) if the Stock is listed on a national securities exchange, the last reported sale price of a share of the Stock on such exchange or, if no sale occurs on that date, the average of the reported closing bid and asked prices on that date,

(ii) if the Stock is otherwise publicly traded, the last reported sale price of a share of the Stock under the quotation system under which the sale price is reported or, if no sale occurs on that date, the average of the reported closing bid and asked prices on that date under the quotation system under which the bid and asked prices are reported,

(iii) if no such last sales price or average of the reported closing bid and asked prices are available on that date, the last reported sale price of a share of the Stock, or if no sale takes place, the average of the reported closing bid and asked prices as so reported for the immediately preceding business day (a) on the national securities exchange on which the Stock is listed or (b) if the Stock is otherwise publicly traded, under the quotation system under which such data are reported, or

(iv) if none of the prices described above is available, the value of a share of the Stock as reasonably determined in good faith by the Committee in a manner that it believes to be in accordance with the Code.

In determining the Fair Market Value of a share of Stock in connection with the issuance of an ISO, the Fair Market Value shall be determined without regard to any restriction, other than a restriction that, by its terms, will never lapse.

(K) “ISO” means an Option (or portion thereof) intended to qualify as an “incentive stock option” within the meaning of section 422 of the Code, or any successor provision.

(L) “NQSO” means an Option (or portion thereof) that is not intended to, or does not, qualify as an “incentive stock option” within the meaning of section 422 of the Code, or any successor provision.

(M) “Option” means the right of a Participant to purchase shares of Stock in accordance with the terms of this Plan and the Stock Option Agreement between such Participant and the Bank.

(N) “Parent” means a parent corporation, if any, with respect to the Bank, as defined in section 424(e) of the Code and regulations promulgated or rulings issued thereunder.

(O) “Participant” means any person to whom an Option has been granted pursuant to this Plan and who is a party to a Stock Option Agreement.

(P) “Stock” means the common stock of the Bank, par value \$5.00 per share.

(Q) “Stock Option Agreement” means an agreement by and between a Participant and the Bank setting forth the specific terms and conditions under which Stock may be purchased by such Participant pursuant to the exercise of an Option. Such Stock Option Agreement shall be subject to the provisions of this Plan (which shall be incorporated by reference therein) and shall contain such provisions as the Board of Directors, in its sole discretion, may authorize.

(R) “Subsidiary” means a subsidiary corporation of the Bank, as defined in section 424(f) of the Code and regulations promulgated or rulings issued thereunder.

(S) “Termination Date” means the date on which the Participant ceased to be an employee of the Bank or any Affiliate; provided however, that with respect to an ISO, it means the date on which the Participant ceased to be an employee of the Bank or any Parent or Subsidiary.

3. SHARES AVAILABLE UNDER THE PLAN

(A) Shares Subject to the Plan. Subject to adjustment in accordance with the provisions of this Section 3, the total number of shares of Stock as to which Options may be granted shall be 295,000 shares, all of which may be awardable as ISOs. Stock issued under the Plan may be either authorized but unissued shares or shares that have been reacquired by the Bank. Any shares issued by the Bank in connection with the assumption or substitution of outstanding grants from any acquired corporation shall not reduce the shares of Stock available for Options under the Plan.

(B) Forfeited Awards. In the event that any outstanding Option under the Plan for any reason expires unexercised, is forfeited or is terminated prior to the end of the period during which Options may be issued under the Plan, the shares of Stock allocable to the unexercised portion of such Option that has expired, been forfeited or been terminated shall become available for future issuance under the Plan.

(C) Shares Used to Pay Exercise Price and Taxes. Shares of Stock delivered to the Bank to pay the Exercise Price of any Option or to satisfy the Participant’s income tax withholding obligation shall become available for future issuance under the Plan.

(D) Adjustments on Changes in Stock. In the event of any change in the outstanding shares of Stock by reason of any merger, reorganization, consolidation, recapitalization, stock dividend, stock split, reverse stock split, spinoff, combination or exchange of shares or other corporate change, the Committee will make such substitution or adjustment, as it deems to be equitable or appropriate, as to: (i) the maximum number of shares of Stock that may be issued under the Plan as set forth in Section 3; (ii) the number or kind of shares subject to an Option; (iii) subject to the limitation contained in Section 6, the Exercise Price applicable to an Option; (iv) any measure of performance that relates to an Option in order to reflect such change in the Stock and/or (v) any other affected terms of any Option; provided however, that no adjustment shall occur with respect to an ISO unless: (y) the excess of the aggregate Fair Market Value of the shares of Stock subject to the ISO immediately after any such adjustment over the aggregate Exercise Price of such shares is not more than the excess of the aggregate Fair Market Value of all shares subject to the ISO immediately prior to such adjustment over the Exercise Price of all shares subject to the ISO; and (z) the new or adjusted ISO does not grant the Participant additional benefits that the Participant did not previously have.

4. ADMINISTRATION

(A) Procedure. The Plan shall be administered, construed and interpreted by the Committee, as such Committee is from time to time constituted, or any successor committee the Board of Directors may designate to administer the Plan. The Committee may delegate any of its powers and duties to appropriate officer(s) of the Bank in accordance with guidelines established by the Committee from time to time.

(B) Powers of the Committee. Subject to the other provisions of the Plan, the Committee shall have all powers vested in it by the terms of the Plan as set forth herein, such powers to include exclusive authority (except as may be delegated as permitted herein): (i) to select those persons to be granted Options under the Plan; (ii) to determine the type, size and terms of the Option to be granted to each individual selected; (iii) to modify the terms of any Option that has been granted; (iv) to determine the time when Options will be granted; (v) to establish performance objectives; (vi) to determine the Fair Market Value of the Stock under Section 6; (vii) to interpret the Plan and decide any questions and settle all controversies or disputes that may arise in connection with the Plan; (viii) to adopt, amend and rescind rules and regulations relating to the Plan; (ix) to prescribe the form or forms of instruments evidencing Options and any other instruments required under the Plan and to change such forms, in its sole and absolute discretion, from time to time; (x) to accelerate or defer (with the consent of the Participant) the vesting period or exercise date of any Option; (xi) to authorize any person to execute on behalf of the Bank any instrument required to effectuate the grant of an Option previously granted by the Committee; and (xii) to make all other determinations and perform all other acts necessary or advisable for the administration of the Plan. The Committee (or its delegate as permitted herein) may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Option in the manner and to the extent that it shall deem desirable to carry the Plan or any Option into effect.

(C) Effect of Decision of the Committee and Board of Directors. All decisions, determinations, actions and interpretations of the Committee (or its delegate as permitted herein) or the Board of Directors (or its delegate as permitted herein) in the administration of the Plan shall lie with the Committee and the Board of Directors, respectively, within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned; provided that the Committee or the Board of Directors, as applicable, may, in its sole and absolute discretion, overrule an action, decision, determination or interpretation of a person to whom it has delegated authority.

(D) Liability of Board of Directors or the Committee. No member of the Board of Directors or Committee or any officer of the Bank shall be liable for anything done or omitted to be done by him, by any other member of the Board of Directors or Committee or any officer of the Bank in connection with the performance of duties under the Plan, except for his own willful misconduct or as expressly provided by statute. The members of the Board of Directors and Committee and officers of the Bank shall be entitled to indemnification in connection with the performance of their respective duties under the Plan to the extent provided in the articles of association or bylaws of the Bank or otherwise by law.

5. ELIGIBILITY

Consistent with the purposes of the Plan, the Committee shall have the power (except as may be delegated as permitted herein) to select the employees and other individuals performing services for the Bank and its Affiliates who may participate in the Plan and be granted Options under the Plan. No person who is not an employee of the Bank or a Parent or a Subsidiary shall be eligible to receive an ISO award under the Plan. For purposes of this Plan, the term "employee" means an individual employed by the Bank or a Subsidiary whose income from those entities is subject to Federal Income Contributions Act ("FICA") withholding.

6. TERMS AND CONDITIONS APPLICABLE TO OPTIONS UNDER THE PLAN

Options granted pursuant to the Plan shall be evidenced by Stock Option Agreements in such form as the Board of Directors shall, from time to time, approve, which agreements shall in substance include or incorporate, comply with and be subject to the following terms and conditions (except as necessary to conform to the requirements of law, including the laws of the jurisdiction where the Participant resides):

(A) Medium and Time of Payment. The Exercise Price shall be paid in full at the time the Option is exercised. The Exercise Price shall be payable either in (i) United States dollars in cash or by check, bank draft, money order or wire transfer of good funds payable to the Bank; (ii) upon conditions established by the Committee, by delivery of shares of Stock owned by the Participant; or (iii) by a combination of (i) and (ii).

(B) Number of Shares. The total number of shares to which each Option pertains shall be designated in the Stock Option Agreement at the time of grant.

(C) Designation of Option. Each Option shall be designated in the Stock Option Agreement as either an ISO or a NQSO and, in the absence of such designation, shall be deemed to be a NQSO. In the event that a person is granted concurrently an ISO and a NQSO, such Options shall be evidenced by separate Stock Option Agreements. However, notwithstanding such designations, to the extent that (i) the aggregate Fair Market Value (determined as of the time of grant) of the Stock with respect to which Options designated as ISOs are exercisable for the first time by any employee during any calendar year (under all plans of the Bank and any Subsidiary) exceeds \$100,000, or (ii) an ISO does not meet any other requirement to be an "incentive stock option" within the meaning of section 422 of the Code, such Options, or portions thereof, shall be treated as NQSOs. For purposes of this section, Options shall be taken into account in the order in which they were granted.

(D) Exercise Price. The Exercise Price per share of Stock under an Option shall be determined by the Committee in its sole discretion; provided however that the Exercise Price shall be not less than one hundred percent (100%) of the Fair Market Value on the date that such Option is granted and, in the case of an ISO granted to a Controlling Participant, the Exercise Price shall be not less than one hundred ten percent (110%) of the Fair Market Value on the date that such Option is granted.

(E) Option Term. The term of an Option shall be fixed by the Committee, in its sole discretion, in each Stock Option Agreement; provided however that for any Option to qualify as an ISO, the Option shall expire not more than ten years from the date the Option is granted and, in the case of a Controlling Participant, not more than five years from the date the Option is granted.

(F) Exercise of Options. Subject to the provisions of this Plan and the applicable Stock Option Agreement, an Option may be exercised at any time during the term of the Option. An Option shall be deemed exercised when (i) written notice of such exercise, in the form prescribed by the Committee, has been received by the Bank in accordance with the terms of the Option by the person entitled to exercise the Option and (ii) full payment for the Stock with respect to which the Option is exercised has been received by the Bank in accordance with Section 6 and the Stock Option Agreement. The written notice shall include the number of shares to be exercised by the Participant. Except as otherwise expressly provided in writing by the Board of Directors, an Option may not be exercised for a fractional share of Stock.

(G) Stock Certificates. Promptly upon exercise of an Option, the Bank shall issue (or cause to be issued) certificates evidencing the shares of Stock acquired as a result of the exercise of the Option. In the event that the exercise of an Option is treated in part as the exercise of an ISO and in part as the exercise of a NQSO pursuant to Section 6 hereof, the Bank shall issue a certificate evidencing the shares of Stock treated as acquired upon the exercise of an ISO and a separate certificate evidencing the shares of Stock treated as acquired upon the exercise of a NQSO, and shall identify each such certificate accordingly in its stock transfer records.

All certificates for shares of Stock delivered under the Plan pursuant to any Option shall be subject to such stock transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Stock is then listed, and any applicable federal or state securities laws or regulations, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(H) Date of Exercise. The Committee may, in its sole discretion, provide that an Option may not be exercised in whole or in part for any period or periods of time specified by the Committee. Except as may be otherwise provided in a Stock Option Agreement, Options shall vest ratably over a five-year period commencing at the date of grant of such option and may be exercised in whole or in part from the conclusion of such five-year

period until the expiration of the term of the Option. In the case of an Option not immediately exercisable in full, the Committee may at any time accelerate the time at which all or any part of the Option may be exercised.

(I) Termination of Service. The Committee may determine, at the time of grant, for each Option the extent to which the Participant (or his legal representative) shall have the right to exercise the Option following termination of such Participant's service to the Bank, any Subsidiary or any Affiliate. Such provisions may reflect distinctions based on the reasons for the termination of service and any other relevant factors that the Committee may determine. In the absence of such standards, any Option granted to an employee of the Bank or any Affiliate pursuant to the Plan that has not vested prior to the Termination Date shall expire immediately upon the Termination Date, and any Option granted to an employee of the Bank or an Affiliate pursuant to the Plan that has vested prior to the Termination Date shall expire three (3) months following the Termination Date; provided however that if the cessation of Participant's service is due to his death or disability (as defined in section 22(e)(3) of the Code), such Option shall expire one year from the Termination Date.

(J) Transferability. Except as otherwise permitted by the Committee, Options shall be nontransferable other than by will or the laws of descent and distribution and shall be exercisable during the lifetime of the Participant only by the Participant (or in the event of his disability (as defined in section 22(e)(3) of the Code), by his guardian or legal representative) and after his death, only by the Participant's legal representatives, heirs, legatees, or distributees.

(K) No Rights as a Participant. No person shall, with respect to any Option, be deemed to have become a Participant, or to have any rights with respect to such Option, unless and until such person shall have executed a Stock Option Agreement or other instrument evidencing the Option and delivered a copy thereof to the Bank, and otherwise complied with the then applicable terms and conditions.

(L) No Rights as a Shareholder. Notwithstanding the exercise of an Option, a Participant shall have no rights as a shareholder with respect to shares covered by an Option until the date the certificates evidencing the shares of Stock are issued (as evidenced by the appropriate entry on the books of the Bank or of a duly authorized transfer agent of the Bank). No adjustment will be made for dividends or other rights the record date for which is prior to the date of issuance. Upon issuance of the certificates evidencing the shares of Stock acquired upon exercise of an Option, such shares of Stock shall be deemed to be transferred for purposes of section 421 of the Code and the regulations promulgated thereunder.

(M) Tax Withholding. As a condition to the exercise of any Option, the Bank shall have the right to require that the Participant exercising the Option (or the recipient of any shares of Stock) remit to the Bank an amount calculated by the Bank to be sufficient to satisfy applicable federal, state, foreign or local withholding tax requirements (or make other arrangements satisfactory to the Bank with regard to such taxes) prior to the delivery of any certificate evidencing shares of Stock. If permitted by the Bank, either at the time of the grant of the Option or in connection with its exercise, the Participant may satisfy applicable withholding tax requirements by delivering a number of whole shares of Stock owned by the Participant prior to the date of exercise and having a Fair Market Value (determined on the date that the amount of tax to be withheld is to be fixed) at least equal to the aggregate amount required to be withheld.

In the case of an ISO, the Committee may require as a condition of exercise that the Participant exercising the Option agree to inform the Bank promptly of any disposition (within the meaning of section 424(c) of the Code and the regulations thereunder) of Stock received upon exercise.

(N) Change of Control. Notwithstanding any provision of this Plan or any Stock Option Agreement to the contrary, unless the Committee shall determine otherwise at the time of grant with respect to a particular Option, all Options outstanding as of the date of a Change of Control or an agreement to effect a Change of Control, and which are not then exercisable and vested, shall become fully exercisable and vested to the full extent of the original grant. The determination as to whether a Change of Control or an agreement to effect a Change of Control has occurred shall be made by the Committee and shall be conclusive and binding.

(O) Additional Restrictions and Conditions. The Committee may impose such other restrictions and conditions (in addition to those required by the provisions of this Plan) on any Option granted hereunder and may

waive any such additional restrictions and conditions, so long as (i) any such additional restrictions and conditions are consistent with the terms of this Plan and (ii) such waiver does not waive any restriction or condition required by the provisions of this Plan.

(P) Repricing. The Committee shall not, without the further approval of the Board of Directors, (i) authorize the amendment of any outstanding Option to reduce the Exercise Price of such Option or (ii) grant a replacement Option upon the surrender and cancellation of a previously granted Option for the purpose of reducing the Exercise Price of such Option. Nothing contained in this section shall affect the right of the Board of Directors or the Committee to make the adjustment permitted under Section 3.

7. AMENDMENT AND TERMINATION OF THE PLAN

The Committee may amend, alter, suspend, or terminate the Plan or any portion hereof at any time; provided that no such amendment, alteration, suspension or termination shall be made without the approval of the shareholders of the Bank if such approval is necessary to qualify for or comply with any tax or regulatory requirement for which or with which the Board of Directors deems it necessary or desirable to qualify or comply. No amendment, suspension or termination of the Plan shall adversely affect the right of any Participant with respect to any Option theretofore granted, as determined by the Committee, without such Participant's written consent.

Unless earlier terminated, the Plan shall remain in effect until all shares issuable under the Plan have been purchased or acquired in accordance with the Plan. In no event may any Options be granted under the Plan more than ten (10) years after the earlier of the date on which the Plan is adopted or the date on which the Plan is approved by the shareholders of the Bank. Such termination by lapse of time shall not effect the validity or terms of any Option then outstanding or the ability of the Committee to amend, alter, adjust, suspend, discontinue or terminate any such Option or to waive any conditions or rights under any such Option for so long as the Option is outstanding.

8. LEGALITY OF GRANT

The granting of Options under this Plan and the issuance or transfer of Options and shares of Stock pursuant hereto are subject to all applicable federal and state laws, rules and regulations and to such approvals by any regulatory or government agency (including, without limitation, no-action positions of the Securities and Exchange Commission) which may, in the opinion of counsel for the Bank, be necessary or advisable in connection therewith. Without limiting the generality of the foregoing, no Options may be granted under this Plan and no Options or shares shall be issued by the Bank unless and until in any such case all legal requirements applicable to the issuance or payment have, in the opinion of counsel for the Bank, been complied with. In connection with any Option or Stock issuance or transfer, the person acquiring the shares or the Option shall, if requested by the Bank, give assurance satisfactory to counsel to the Bank with respect to such matters as the Bank may deem desirable to assure compliance with all applicable legal requirements.

9. NO EMPLOYMENT/SERVICE RIGHTS

Nothing in this Plan or any Stock Option Agreement shall confer upon any person the right to participate in the benefits of the Plan or to be granted an Option, and there shall be no obligation to provide uniformity of treatment in connection with the administration of this Plan. The terms and conditions of Options or Stock Option Agreements need not be the same with respect to each Participant.

Nothing in this Plan or any Stock Option Agreement shall be construed as constituting a commitment, guarantee, agreement or understanding of any kind or nature that the Bank or any Affiliate shall continue to employ, retain or engage any individual (whether or not a Participant). Neither this Plan nor any Stock Option Agreement executed in accordance with this Plan shall affect in any way the right of the Bank or any Affiliate to terminate the employment or engagement of any individual (whether or not a Participant) at any time and for any reason whatsoever and to remove any individual (whether or not a Participant) from any position with the Bank or any Affiliate. No change of a Participant's duties with the Bank or any Affiliate shall result in a modification of any rights of such Participant under this Plan or any Stock Option Agreement executed by such Participant.

10. EFFECTIVE DATE

This Plan shall become effective upon its approval by the Board of Directors; provided however that no grant of an Option under this Plan shall qualify as an ISO unless, within one year of the date the Plan becomes effective, the Plan is approved by the affirmative vote of a majority of the shareholders of the Bank present, in person or by proxy, at a meeting of the shareholders of the Bank. The Committee may grant ISOs subject to the condition that this Plan shall have been approved by the shareholders of the Bank as provided herein.

11. RESERVATION OF SHARES

The Bank, during the term of this Plan, shall at all times reserve and keep available such number of shares of Stock as shall be sufficient to satisfy the requirements of the Plan.

12. MINIMUM CAPITAL REQUIREMENTS

Notwithstanding any provision of this Plan or any Stock Option Agreement to the contrary, all Options granted under the Plan shall expire, to the extent not exercised, within 45 days following the receipt of notice from the Bank's primary federal regulator ("Regulator") that (i) the Bank has not maintained its minimum capital requirements (as determined by the Regulator); and (ii) the Regulator is requiring termination or forfeiture of options. Upon receipt of such notice from the Regulator, the Bank shall promptly notify each Participant that all Options issued under this Plan have become fully exercisable and vested to the full extent of the grant and that the Participant must exercise the Option(s) granted to him prior to the end of the 45-day period or such earlier period as may be specified by the Regulator or forfeit such Option. In case of forfeiture, no Participant shall have a cause of action, of any kind or nature, with respect to the forfeiture against the Bank or any Affiliate. Neither the Bank nor any Affiliate shall be liable to any Participant due to the failure or inability of the Bank or any Affiliate to provide adequate notice to the Participant.

13. ADMINISTRATION OF PLAN

Notwithstanding any other provision herein to the contrary, this Plan shall be administered in accordance with the provisions of the Federal Deposit Insurance Corporation's Statement of Policy on Applications for Deposit Insurance as such policy relates to stock benefit plans.

14. GENERAL

(A) Burden and Benefit. The terms and provisions of this Plan and the Options issued hereunder shall be binding upon, and shall inure to the benefit of, the Bank and each Participant and any permitted successors and assigns.

(B) Interpretation. When a reference is made in this Plan to a Section, such reference will be to a Section of this Plan unless otherwise indicated. The headings contained in this Plan are for convenience of reference only and will not affect in any way the meaning or interpretation of this Plan or any Option. Whenever the words "include," "includes" or "including" are used in this Plan, they will be deemed to be followed by the words "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Plan will refer to this Plan as a whole and not to any particular provision in this Plan. Each use herein of the masculine, neuter or feminine gender will be deemed to include the other genders. Each use herein of the plural will include the singular and vice versa, in each case as the context requires or as is otherwise appropriate. The word "or" is used in the inclusive sense. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a person are also to its permitted successors or assigns. No provision of this Plan is to be construed to require, directly or indirectly, any person to take any action, or omit to take any action, which action or omission would violate applicable law (whether statutory or common law), rule or regulation.

(C) Costs and Expenses. All costs and expenses with respect to the adoption, implementation and administration of this Plan shall be borne by the Bank; provided however that, except as otherwise specifically provided in this Plan or the applicable Stock Option Agreement between the Bank and a Participant, the Bank shall not be obligated to pay any costs or expenses (including legal fees) incurred by any Participant in connection with any Stock Option Agreement, this Plan or any Option or Stock held by any Participant.

(D) Unfunded Status of Plan. The Plan is intended to constitute an “unfunded” plan for long-term incentive compensation. Neither the Plan nor any Option shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Bank or any Affiliate and a Participant or any other person. Nothing contained herein shall be construed to give any Participant any rights with respect to any Option, unexercised or exercised, or any other matters under this Plan that are greater than those of a general unsecured creditor of the Bank.

(E) Governing Law. The validity, construction and effect of the Plan, any rules and regulations relating to the Plan and any Option granted hereunder shall be determined in accordance with the laws of the State of Texas, without reference to the laws that might otherwise govern under applicable principles of conflicts of law.

(F) Severability. If any term or other provision of this Plan or any Stock Option Agreement is held to be illegal, invalid or unenforceable by any rule of law or public policy, such term or provision shall be fully severable and this Plan or the Stock Option Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision were not a part hereof, and all other conditions and provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or unenforceable, there shall be added automatically as a part of this Plan or the Stock Option Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and still be legal, valid and enforceable. If any provision of this Plan or any Stock Option Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only as broad as is enforceable.

(G) Certain Conflicts. In the event of an irreconcilable conflict between the terms of the Plan and any Stock Option Agreement, the terms of the Plan shall prevail.

(H) Notices. Any notice or other communication required or permitted to be made hereunder or by reason of the provisions of this Plan or any Stock Option Agreement shall be in writing, duly signed by the party giving such notice or communication and shall be deemed to have been properly delivered if delivered personally or by a recognized overnight courier service, or sent by first-class certified or registered mail, postage prepaid, as follows (or at such other address for a party as shall be specified by like notice): (i) if given to the Bank, at its principal place of business, and (ii) if to a Participant, as provided in his Stock Option Agreement. Any notice properly given hereunder shall be effective on the date on which it is actually received by the party to whom it was addressed.

IN WITNESS WHEREOF, the Bank, acting by and through its duly authorized officer, has executed this Plan on this the __ day of _____, 2007.

ACCESS 1ST CAPITAL BANK

By: _____

Its: _____

[This Page Intentionally Left Blank]

TABLE OF CONTENTS

	<u>PAGE</u>
HOW TO SUBSCRIBE	2
SUMMARY	3
RISK FACTORS.....	12
CAUTION REGARDING FORWARD-LOOKING STATEMENTS.....	17
THE OFFERING	18
DETERMINATION OF OFFERING PRICE	21
USE OF PROCEEDS.....	21
CAPITALIZATION.....	22
DILUTION.....	23
MANAGEMENT'S DISCUSSION AND ANALYSIS OF PLAN OF OPERATIONS.....	23
PROPOSED BUSINESS.....	26
MANAGEMENT.....	33
RELATED PARTY TRANSACTIONS	45
DESCRIPTION OF COMMON STOCK.....	46
SUPERVISION AND REGULATION.....	48
LEGAL PROCEEDINGS	56
FINANCIAL STATEMENTS	56
REPORTS TO SHAREHOLDERS.....	56
ADDITIONAL INFORMATION	56
FINANCIAL STATEMENTS	F-1

-
- **You should only rely on the information contained or incorporated by reference in this offering circular. We have not authorized any person to provide you with different information. If anyone provides you with inconsistent or different information, you should not rely on it.**
 - **We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.**
 - **You should assume that the information appearing in this offering circular is accurate as of the date on the front cover of this offering circular only.**
 - **This offering circular does not constitute an offer to sell, or the solicitation of an offer to buy, any securities other than the securities to which it relates.**
 - **These securities are not deposits or Bank accounts and are not insured by the Federal Deposit Insurance Corporation.**
-
-

Up to 3,000,000 Shares



ACCESS 1ST CAPITAL BANK

Common Stock

**Offering Circular
January 10, 2007**
