[redacted]

10: 30
STATE OF IDAHO
DEPT OF FINANCE

February 22, 2007

Via Federal Express

Ms. Patty Highley
Securities Examiner
Department of Finance
Securities Bureau
800 Park Boulevard, Suite 200
Boise, Idaho 83712

Re: [redacted]
Request for No-Action Position

Dear Ms. Highley:

In connection with our recent discussions, we are submitting this letter for the purpose of requesting a "no-action" position from the Securities Bureau of the Idaho Department of Finance. A check for $50.00 is enclosed for processing this request.

Our request is on behalf of [redacted] ("Proposed Bank"), a proposed bank that is currently in organization. Upon its formation, the Proposed Bank will be a state chartered commercial bank located in [redacted]. On December 15, 2005, the Proposed Bank filed a new bank application and supporting materials with the Idaho Department of Finance, Department of Financial Institutions and the Federal Deposit Insurance Corporation ("FDIC"). The Proposed Bank's management team consists of Messrs. [redacted] and [redacted], each of whom has substantial experience in the banking industry. The Board of Directors of the Proposed Bank will be comprised of ten individuals who have also have extensive experience in banking and strong ties to the [redacted] market.

The Proposed Bank plans to raise between $5.5 million and $10.5 million of capital in an initial offering of its common stock. The offering is intended for financially sophisticated subscribers, since the minimum investment for any subscriber is $100,000. There is a strong commitment by the officers and directors of the Proposed Bank to the offering and they have indicated that they collectively intend to subscribe for $4.15 million of the Proposed Bank's common stock.

As we have previously discussed, banks in organization in the State of Idaho are not able to avail themselves of the exemption from registration contained in Section 30-14-1201(3)(b) of the Idaho Uniform Securities Act. However, we respectfully request that the Securities Bureau take a no-action position with respect to the registration of the securities to be offered by the Proposed Bank based on the following factors:

(1) The Proposed Bank will establish an escrow account at into which subscribers' funds will be held until the Proposed Bank has obtained the appropriate deposit insurance from the FDIC and is granted a state charter from the Idaho Department of Financial Institutions. A copy of the escrow agreement is enclosed for your review and information. As you will see from the enclosure, no funds can be released from the escrow agreement until the Director of the Idaho Department of Finance gives his approval.

(2) The Proposed Bank has informed us that they intend to comply with all provisions of the Idaho Bank Act, and the rules and requirements of the FDIC.

(3) Messrs. and are in the process of completing the U-4 in compliance with the requirements of Rule 83 of the Idaho Administrative Procedures Act - Rules Pursuant to the Uniform Securities Act (2004), and specifically the exemption contained in subpart (c). No other individuals will be involved in the sale of the securities and no individual will be compensated, either directly or indirectly, for the sale of securities.

(4) A copy of the proposed offering circular is enclosed for your review prior to the commencement of the offering.

* * *

Thank you so very much for your assistance and consideration of this request. If you have any questions or require any additional information, please do not hesitate to contact us.

Sincerely,

Enclosure
cc:

Memorandum

TO: [redacted]
FROM: Patricia Highley
DATE: February 28, 2007
REGARDING: [redacted]

The following are the Department's comments relating to the offering document dated and submitted by ([redacted] (bank in formation, [redacted]) on February 23, 2007.

Generally, I've organized the comments as they appear in the offering document. Also, I've referred to the requirements of the Securities Bureau's "no-action" letter dated January 26, 2005. As you may recall, this "no-action" position was taken by our Bureau to facilitate securities offerings by banks in formation. Here is an excerpt of the letter in which the basic parameters of the "no-action" position are outlined:

1) *An escrow account will be established into which investor funds will be held until your client has obtained the appropriate FDIC approval, and is granted a state charter from this Department. We understand that the escrow funds will be held in a state or federal chartered bank, in certificate of deposits or other Federal Deposit Insurance Corporation (FDIC) insured accounts, and that if your client is not granted a charter by this Department, all funds will be returned to investors along with any interest accrued on the account. Furthermore, your client agrees to structure the escrow agreement in such a manner that the Director of this Department must give approval to release the escrowed funds.*

2) *Your client will comply with all provisions of the Idaho Bank Act, and rules and requirements of the FDIC.*

3) *The offering will be sold only by your client's officers, directors, and employees, and those individuals will not be compensated either directly or indirectly in connection with the sale of the securities.*

4) *A copy of the prospectus will be submitted to our Department for review and comment prior to the commencement of the offering.*

Comments

- At the bottom of the cover page there is reference to the holding of funds in the escrow account "…until the completion or termination of the offering". This sentence should reference release by the Director when a charter is granted by the Department (Item 1 of "no-action").

- The second page of the cover page , 2nd paragraph, references the Idaho Department of Finance and the Department of Financial Institutions. This should be consolidated to reference only the Idaho Department of Finance, or each bureau should be separately referenced. Also, the collective reference is "Department". The financials reference the "Director". This probably should be cleaned up.

  Item 1 of the "no-action" requires that interest is paid in the escrow account. Paragraph two and footnote (1) on this page either don't reference interest being paid to the subscriber if funds are returned, or indicate that interest will not be paid.

- On page 7, paragraph 1, there is reference that the escrow funds will be held in "FDIC insured deposits, U.S. government securities, or in a money market mutual fund". Item 1 of the "no-action" requires that the escrow funds are held only in FDIC insured accounts. Typically, money market accounts are **not** FDIC insured. However, [redacted] represents in the Escrow Agreement that these funds will be covered by FDIC insurance. If this is the case, then the reference in question should specify only FDIC insured money market accounts.

  Also in this paragraph and paragraph 3, there is once again a reference that the escrow funds may be released if the minimum subscription is met. Item 1 of the "no-action" requires that the Director give permission for the release when a charter is granted by the Department.

- Page 8 indicates there will not be interest paid on the escrow account. Interest should be paid (Item 1 of "no-action").

- Page F-3 references the "Idaho Director of the Department of Financial Institutions" ought to read "the Director of the Idaho Department of Finance".

- The Escrow Agreement should be revised in the following manner:
  - 3rd paragraph requires the escrow account to be held with an Idaho bank. This should read "be held with a state or federally chartered bank located in Idaho (Idaho Bank Act, Item 1 of "no-action").
  - Also in the 3rd paragraph, a reference to the funds being released only upon the Director's approval and a charter being granted by the

Department. (Note: The Director's approval is noted in item 5 of the Escrow Agreement)

- Item 4 references money market accounts. See comments above regarding FDIC insurance on these accounts.

No-Action Request

Once we receive the changes noted above, we will reconsider [redacted]'s request for a "no-action" position. If the decision is made to grant the "no-action" request, we will provide you with written assurance of our position.

Please let me know if you have any questions.

PATRICIA R. HIGHLEY
Senior Securities Analyst
Idaho Department of Finance

March 7, 2007

Via Federal Express

Ms. Patty Highley
Securities Examiner
Department of Finance
Securities Bureau
800 Park Boulevard, Suite 200
Boise, Idaho 83712

RECEIVED
2007 MAR -8 AM 10: 11
STATE OF IDAHO
DEPT. OF FINANCE

Re: Request for No-Action Position - Response to Comments

Dear Ms. Highley:

In connection with our request for a "no-action" position from the Securities Bureau of the Idaho Department of Finance, on behalf of enclosed is a revised draft of the Proposed Bank's Offering Circular and Escrow Agreement. are our responses to the comments you issued on February 28, 2007.

The Offering Circular and Escrow Agreement have been marked to show changes from the versions that were filed with your office on February 23, 2007. The revisions contained in the Offering Circular and Escrow Agreement have been made in response to the comments we received from you on February 28, 2007. The responses below are numbered to correspond to the numbers included in your comments.

Offering Circular

1. Cover Page - The sentence at the bottom of the cover page of the Offering Circular has been revised to reference release by the Director when a charter is granted by the Department.

2. Cover Page, Second Page:

   A. The second paragraph has been revised to consolidate the reference only to the Idaho Department of Financial. The financials have also been revised in connection with the comment.

   B. Paragraph two and footnote (1) on this page have been revised to indicate that interest will be paid to the subscriber if funds are returned.

3. Page 7:

   A. Paragraph 1 has been revised to indicate that the money market account is an FDIC insured account.

   B. Paragraphs 1 and 3 have also been revised to indicate that the escrowed funds will be released when the Proposed Bank receives a charter from the Department and the Director of the Department give permission for the release of these funds.

4. Page 8 - This page and other reference in the Offering Circular have been revised to indicate that interest will be paid on funds held in the escrow account.

5. Page F-3 - The references have been revised in response to this comment.

Escrow Agreement

6. The third paragraph of the Escrow Agreement has been revised to indicate that the escrow account will be held with a state or federally chartered bank located in Idaho.

7. The third paragraph of the Escrow Agreement has been revised to indicate that the funds will be release only upon the Director's approval and a charter being granted by the Department.

8. Item 4 of the Escrow Agreement has been revised to indicate that the money market account is an FDIC insured account.

Thank you for your assistance in this matter.

* * *

We appreciate your assistance in the review of the Offering Circular and Escrow Agreement and if you have any questions regarding these responses or the revised materials, please do not hesitate to contact us.

Sincerely,

Enclosures
cc:

March 7, 2007

Via Federal Express

Ms. Patty Highley
Securities Examiner
Department of Finance
Securities Bureau
800 Park Boulevard, Suite 200
Boise, Idaho 83712

RECEIVED
2007 MAR -8 AM 10: 11
STATE OF IDAHO
DEPT OF FINANCE

Re:

Revised Request for No-Action Position

Dear Ms. Highley:

In connection with our initial request on February 22, 2007 for a "no-action" position from the Securities Bureau of the Idaho Department of Finance, on behalf of we have revised our request in response to the comments we received from you on February 28, 2007.

Our request is on behalf of ("Proposed Bank"), a proposed bank that is currently in organization. Upon its formation, the Proposed Bank will be a state chartered commercial bank located in . On December 15, 2005, the Proposed Bank filed a new bank application and supporting materials with the Idaho Department of Finance, Department of Financial Institutions and the Federal Deposit Insurance Corporation ("FDIC"). The Proposed Bank's management team consists of Messrs. and , each of whom has substantial experience in the banking industry. The Board of Directors of the Proposed Bank will be comprised of ten individuals who have also have extensive experience in banking and strong ties to the Post Falls market.

The Proposed Bank plans to raise between $5.5 million and $10.5 million of capital in an initial offering of its common stock. The offering is intended for financially sophisticated subscribers, since the minimum investment for any subscriber is $100,000. There is a strong commitment by the officers and directors of the Proposed Bank to the offering and they have indicated that they collectively intend to subscribe for $4.15 million of the Proposed Bank's common stock.

As we have previously discussed, banks in organization in the State of Idaho are not able to avail themselves of the exemption from registration contained in Section 30-14-1201(3)(b) of the Idaho Uniform Securities Act. However, we respectfully request that the Securities Bureau take a no-action position with respect to the registration of the securities to be offered by the Proposed Bank (referred to as "our client" for the purposes of this request) based on the following factors:

(1) An escrow account will be established at [redacted] into which investors' funds will be held until our client has obtained the appropriate FDIC approval and is granted a state charter from the Idaho Department of Finance. We understand that the escrow funds will be held in a state or federal chartered bank, in certificate of deposits or other Federal Deposit Insurance (FDIC) insured accounts and that if our client is granted a charter by the Department, all funds will be returned to investors along with any interest accrued on the account. Furthermore, our client agrees to structure the escrow agreement in such a manner that the Director of the Department must give approval to release the escrowed funds.

(2) Our client will comply with all provisions of the Idaho Bank Act, and rules and requirements of the FDIC.

(3) The offering will be sold only by our client's officers, directors, and employees, and those individuals will not be compensated either directly or indirectly for the sale of securities.

(4) A copy of the prospectus will be submitted to the Department for review and comment prior to the commencement of the offering.

* * *

A revised copy of the prospectus and escrow agreement are separately being submitted to the Department in response to the comments we received from you on February 28, 2007.

Thank you again for your assistance and consideration of this request. If you have any questions or require any additional information, please do not hesitate to contact us.

Sincerely,

[redacted]

[redacted]
Enclosure
cc: [redacted]

Patty Highley

From: Patty Highley
Sent: Tuesday, March 13, 2007 9:09 AM
To: [redacted]
Cc: Marilyn Chastain; Bryce Baertsch; Mary Hughes; Gavin Gee
Subject: [redacted]
Attachments: [redacted]

[redacted]

Please find our attached letter reflecting our "no-action" position with regard to the [redacted] in formation offering.

With regard to a "housekeeping" item, we note that the changes on page F-3 of the offering document should include a collective reference to the "Director of the Idaho Department of Finance" as the "Director". Currently, the collective reference is "the Department".

A signed, original copy of our "no-action" letter is being forwarded to you via regular mail. Please let me know if you have any other questions or concerns regarding this matter and our "no-action" position.

Patricia R. Highley
Senior Securities Analyst
Idaho Department of Finance
800 Park Blvd, Suite 200
Boise, Idaho 83712
(208) 332-8004
(888)346-3378 Idaho only
fax: (208) 332-8099
phighley@finance.idaho.gov

IDAHO
DEPARTMENT OF FINANCE

C. L. "BUTCH" OTTER
Governor

GAVIN M. GEE
Director

March 13, 2007

[redacted]

Re: Request for "No-Action" Position—[redacted]

Dear [redacted]:

This is in reference to your request for an interpretation as to whether an offering proposed by [redacted], organizing as a state chartered bank in Idaho, would qualify for exemption from registration in Idaho pursuant to Section 30-14-201(3) (b) of the Idaho Uniform Securities Act (the Act).

As we have discussed, the exemption under Section 30-14-201(3) (b) of the Act has historically been interpreted by our Department as applicable only to those securities offered by state or federally chartered banks.

Exemption from Registration—Section 30-14-201(3)(b)

Specifically, the Act states that a security is exempt from the registration requirements of Section 30-14-301 if the security is:

"A security issued by and representing, or that will represent, an interest in or a direct obligation of, or be guaranteed by:

(b) A banking institution organized under the laws of the United States; a member bank of the federal reserve system; or a depository institution a substantial portion of the business of which consists or will consist of receiving deposits or share accounts that are insured to the maximum amount authorized by statute by the federal deposit insurance corporation…"

Our view is that this exemption is intended to exempt only those securities of institutions that are already organized as a bank or depository institution, as that is defined Section 30-14-102(3) of the Act.

No Enforcement Action

In light of the above, we do not view the exemption from registration provided under Section 30-14-201(3)(b) of the Act as available to your client.

However, based on the representations reflected in your letter and in discussions with you, we understand that the offering will be structured to incorporate the following:

SECURITIES BUREAU
Bureau Chief – Marilyn T. Chastain
800 Park Boulevard, Suite 200, Boise, ID 83712
Mail To: P.O. Box 83720, Boise ID 83720-0031
Phone: (208) 332-8004 Fax: (208) 332-8099
http://finance.idaho.gov

1) An escrow account will be established into which investor funds will be held until your client has obtained the appropriate FDIC approval, and is granted a state charter from this Department. We understand that the escrow funds will be held in a state or federal chartered bank located in Idaho, in certificate of deposits or other Federal Deposit Insurance Corporation (FDIC) insured accounts, and that if your client is not granted a charter by this Department, all funds will be returned to investors along with any interest accrued on the account. Furthermore, your client agrees to structure the escrow agreement in such a manner that the Director of this Department must give approval to release the escrowed funds.

2) Your client will comply with all provisions of the Idaho Bank Act, and rules and requirements of the FDIC.

3) The offering will be sold only by your client's officers, directors, and employees, and those individuals will not be compensated either directly or indirectly in connection with the sale of the securities.

4) A copy of the prospectus will be submitted to our Department for review and comment prior to the commencement of the offering.

We view the above structure of your client's offering as providing necessary investor protections and assurances for an offering of this nature. Therefore, based on the representations contained in your letter, our Department will take a "no-action" position with regard to the registration of the securities in question. Should circumstances in this matter change, or should your representations be deemed inaccurate, our "no-action" position may also change.

If you have any questions regarding the above, please contact the undersigned.

Sincerely,

MARILYN T. CHASTAIN
Securities Bureau Chief
Idaho Department of Finance

CC: Gavin Gee
Mary Hughes