

#99-131
Amends #98-68

**AMENDMENT TO THE AGREEMENT
OF NOVEMBER 19, 1998
BY AND BETWEEN
SURETY BANK, NATIONAL ASSOCIATION
Hurst, Texas
AND
THE OFFICE OF THE COMPTROLLER OF THE CURRENCY**

The Surety Bank, National Association, Hurst, Texas (Bank), and the Comptroller of the Currency of the United States of America (Comptroller) wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules and regulations.

In consideration of the above premises, it was agreed, between the Bank, by and through its duly elected and acting Board of Directors (Board), and the Comptroller, through his authorized representative, the Assistant Deputy Comptroller, based upon the findings contained in the Report of Examination dated June 29, 1998, that the Bank would operate at all times in compliance with the Articles of the Agreement duly executed on November 19, 1998 (Agreement).

Now, in further consideration of the above premises, and based upon subsequent findings, the Bank and the Comptroller hereby agree to amend the Agreement by revising Article I as shown below, by redesignating "Article VIII -- Closing" of the Agreement as "Article IX-- Closing," and by inserting a new "Article VIII -- Insurance Premium Financing Audit" as shown below following the revised Article I.

ARTICLE I -REVISION

(1) Article I of the Agreement is hereby revised to state as follows:

ARTICLE I

(1) This Agreement shall be construed to be a “written agreement entered into with the agency” within the meaning of 12 U.S.C. § 1818(b)(1).

(2) This Agreement shall be construed to be a “written agreement between such depository institution and such agency” within the meaning of 12 U.S.C. § 1818(e)(1) and 12 U.S.C. § 1818(i)(2).

(3) This Agreement shall be construed to be a “formal written agreement” within the meaning of 12 C.F.R. § 5.51(c)(6)(ii). *See*, 12 U.S.C. § 183 ii.

(4) This Agreement shall be construed to be a “final order” within the meaning of 12 U.S.C. § 1818(u).

(5) All reports or plans which the Bank or Board has agreed to submit to the Assistant Deputy Comptroller (ADC) pursuant to this Agreement shall be forwarded to:

Mark R. Holder
Assistant Deputy Comptroller
Fort Worth Field Office
9003 Airport Freeway, Suite 275
North Richland Hills, Texas 76180

ARTICLE II-- REDESIGNATION

(1) “**ARTICLE VIII -- CLOSING**” is hereby redesignated as “**ARTICLE IX -- CLOSING**”.

ARTICLE III -- ADDITION

(1) A new Article VIII shall be added as follows:

“ARTICLE VIII INSURANCE PREMIUM FINANCING AUDIT

(1) Within thirty (30) days, the Bank shall retain the services of a qualified and independent auditor to review all Insurance Premium Financing (IPF) accounting transactions relating to any overpayment of loan balances and/or refunds due to IPF customers. The initial

review shall be conducted for a period of three (3) years, including year-to-date 1999 (i.e., 1997, 1998, and year-to-date 1999).

(2) A copy of the Bank's proposed "Engagement Letter" with this independent auditor, and any amendments thereto, as well as a copy of the auditor's resume, shall be submitted to the ADC for review prior to the letter's execution. The ADC shall have the right to veto the Bank's selection of the proposed auditor, but failure to exercise this veto power shall not constitute approval or endorsement of the auditor by the ADC. The results of the ADC's review shall be communicated to the Bank within thirty (30) days of his receipt of the proposal.

(3) Within fifteen (15) days of completing his or her review, the auditor shall submit a written report to the Board and to the ADC detailing the findings of the review. At a minimum, the report shall include:

- (a) the dollar amount of any unpaid IPF refunds;
- (b) the names and account numbers of the affected accounts;
- (c) the aggregate number and dollar amount of the transactions;
- (d) a description of the transactions and of how they were accomplished; and,
- (e) an assessment of the potential risk of loss to the Bank.

(4) Within sixty (60) days of its receipt of the independent auditor's report, the Board shall submit an Action Plan to the ADC. The Action Plan shall set out the Bank's program for:

- (a) making full reimbursement of any and all unpaid IPF refunds;
- (b) establishing internal controls and procedures to ensure that IPF accounts are handled in a way which is consistent with safe and sound banking practices; and,
- (c) providing appropriate training to all bank employees who are, or will be, involved in IPF activities at the Bank."

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set his hand on behalf of the Comptroller.

/s/ Mark R. Holder

9-30-99

Mark R. Holder
Assistant Deputy Comptroller
Fort Worth Field Office

Date

AND IN FURTHER TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank:

Signed

09-21-99

C. JACK BEAN

DATE

Signed

09-21-99

WILLIAM E. BYRD

DATE

Signed

09-21-99

MARGARET E. HOLLAND

DATE

Signed

9-21-99

CHARLES IRELAND

DATE

Signed

09-21-99

MICHAEL L. MILAM

DATE

Signed

9/21/99

GARRETT MORRIS

DATE

Signed

9/21/99

CULLEN W. TURNER

DATE