

UNITED STATES OF AMERICA  
BEFORE THE  
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON, D.C.

In the Matter of

COMMUNITY BANKS OF COLORADO  
Greenwood Village, Colorado

A State Member Bank

Appointment of Federal Deposit  
Insurance Corporation as Receiver,  
pursuant to Section 11(o) of the  
Federal Reserve Act, and section  
11(c)(9) of the Federal Deposit  
Insurance Act, as Amended

The Board of Governors of the Federal Reserve System (the “Board of Governors”) has determined that:

**JURISDICTION**

A. Community Banks of Colorado, Greenwood Village, Colorado (the “Bank”) is a state chartered bank that is a member of the Federal Reserve System, and insured by the Federal Deposit Insurance Corporation (the “FDIC”) (FDIC Certificate #21132). The Board of Governors is the appropriate Federal banking agency with respect to the Bank, pursuant to sections 3(u)(2)(A), 11(c)(9)(A), and 38(g)(3) of the Federal Deposit Insurance Act, as amended, 12 U.S.C. §§ 1813(u)(2)(A), 1821(c)(9)(A), and 1831o(g)(3) (the “FDI Act”).

**STATUTORY BACKGROUND**

B. Section 11(o) of the Federal Reserve Act, 12 U.S.C. § 248(o) authorizes the Board of Governors to appoint the FDIC as receiver for a state member bank pursuant to section 11(c)(9) of the FDI Act, 12 U.S.C. § 1821(c)((9)). Section 11(c)(9) authorizes the Board of

Governors to appoint the FDIC as sole receiver of the Bank after consultation with the appropriate State supervisor, if:

(i) one or more grounds specified in paragraphs (K) and (L) of paragraph 5 of section (c) exist with respect to the Bank, and

(ii) the appointment is necessary to carry out the purpose of section 38(o), 12 U.S.C. § 1831(o).

C. Section 11(c)(5)(L)(i) of the FDI Act, 12 U.S.C. § 1821(c)(5)(L)(i), provides that one of the grounds for appointing a receiver of the Bank is if it is critically undercapitalized, as defined in section 38(b) of the FDI Act, 12 U.S.C. § 1831o(b).

D. Section 38(h)(3)(A) of the FDI Act, 12 U.S.C. § 1831o(h)(3)(A), provides that the Board of Governors shall, not later than 90 days after an insured state member bank becomes critically undercapitalized,

(i) appoint a receiver (or with the concurrence of the FDIC, a conservator) for the institution; or

(ii) take such other action as the Board determines, with the concurrence of the FDIC, would better achieve the purposes of section 38 of the FDI Act.

E. Section 38(a) of the FDI Act, 12 U.S.C. § 1831o(a), states that:

(1) the purpose of this section is to resolve the problems of insured depository institutions at the least possible long-term loss to the deposit insurance fund, and

(2) the Board of Governors (as an appropriate Federal Banking Agency and the FDIC, acting as insurer) shall carry out the purpose of this section by taking prompt corrective action to resolve the problems of insured depository institutions.

## **FINDINGS**

F. The Bank is critically undercapitalized as defined in 12 U.S.C. § 1831o(b), and section 208.43(b)(5) of Regulation H, 12 C.F.R. § 208.43(b)(5). The Bank became critically undercapitalized as of July 29, 2011.

G. The Bank's proposed recapitalization through the sale of a number of its branches and associated assets and liabilities has not been approved by the FDIC as required by section 38(i)(2)(A) of the FDI Act, 12 U.S.C. § 1838o(i)(2)(A), which prohibits a critically undercapitalized insured depository institution from entering into any material transaction, including sale of assets, without the prior written approval of the FDIC.

H. The Board of Governors has consulted with the Colorado State Banking Commissioner, appropriate State supervisor for the Bank, concerning the appointment of the FDIC as receiver for the Bank.

I. Appointment of the FDIC as receiver for the Bank is necessary to carry out the purpose of section 38 of the Federal Deposit Insurance Act (the "FDI Act"). 12 U.S.C. § 1831o.

NOW THEREFORE, pursuant to section 11(o) of the Federal Reserve Act, 12 U.S.C. § 248(o), and section 11(c)(9) of the FDI Act, 12 U.S.C. § 1821(c)(9), the Board of Governors hereby determines that grounds for appointment of the FDIC as a receiver for the Bank exist under section 11(c)(5)(L) of the FDI Act, 12 U.S.C. §1821(c)(5)(L):

IT IS HEREBY ORDERED, that the FDIC is appointed as receiver for the Bank with all the powers, duties, and responsibilities given to or impressed upon a receiver under the provisions of the laws of the United States which authorize and direct the appointment of such receiver.

By order of the Board of Governors of the Federal Reserve System, effective as of the 21st day of October, 2011.

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

By: Jennifer J. Johnson (signed)  
Jennifer J. Johnson  
Secretary of the Board