



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 24, 1997

Steven R. Block, Esquire
Block & Balestri, P.C.
15851 Dallas Parkway
Suite 1020
Dallas, Texas 75248

Dear Mr. Block:

The Board of Governors of the Federal Reserve System has approved the following proposal filed pursuant to the Bank Holding Company Act:

First Alamogordo Bancorp of Nevada, Inc., Alamogordo ("Bancorp-Nevada"), to merge with First Alamogordo Bancorp, Inc., Alamogordo ("Bancorp-New Mexico"), and thereby acquire Bancorp-New Mexico's subsidiary banks, First National Bank of Alamogordo, Alamogordo, and First National Bank of Ruidoso, Ruidoso, all in New Mexico.

Material related to the Board's action is enclosed. As noted in the enclosed order, the Board's action on the proposal is subject to the condition that Bancorp-Nevada not exceed certain limitations that are designed to ensure that the bank holding company and its subsidiary banks continue to be strongly capitalized after the minority shareholders' shares are redeemed. In particular, the Board has conditioned its approval on the requirements that Bancorp-Nevada not pay consideration for Bancorp-New Mexico or its subsidiaries in excess of \$16.3 million, or incur any debt in connection with this transaction in excess of \$5.5 million, without the Board's prior approval.

Please advise the Federal Reserve Bank of Dallas in writing when the approved action is consummated.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jennifer J. Johnson", written in a cursive style.

Jennifer J. Johnson
Deputy Secretary of the Board

Enclosures: 1. Press Release
2. Order

cc: Federal Reserve Bank of Dallas
Office of the Comptroller of the Currency