

FEDERAL RESERVE SYSTEM

Stephen M. Calk 2025 Trust
Houston, Texas

Order Approving the Formation of a Savings and Loan Holding Company

The Stephen M. Calk 2025 Trust (“Trust”), Houston, Texas, has requested the Board’s approval under section 10(e) of the Home Owners’ Loan Act (“HOLA”),¹ to become a savings and loan holding company (“SLHC”) by acquiring National Bancorp Holdings, Inc. (“NBHI”), Chicago, Illinois, an existing SLHC.² Following the proposed acquisition, the Trust would control The Federal Savings Bank (“FS Bank”), Chicago, Illinois, a federal savings bank.³

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (91 *Federal Register* 998 (January 9, 2026)), in accordance with the Board’s Rules of Procedure.⁴ The time for submitting comments has expired, and the Board received two adverse comments on the proposal. The Board has considered the proposal and all comments received in light of the factors set forth in section 10(e) of HOLA.⁵

¹ 12 U.S.C. § 1467a *et seq.*

² 12 U.S.C. § 1467a(e)(1)(B).

³ The Trust is an irrevocable trust in formation that would acquire 52.3 percent of the shares of NBHI currently owned by Mr. Stephen Calk. The purpose of the proposed transaction is to facilitate compliance by Mr. Calk with the prohibitions of section 19 of the Federal Deposit Insurance Act. *See* 12 U.S.C. § 1829; Letter to Stephen M. Calk Re: Criminal Conviction – Prohibition from Banking Industry from the Federal Reserve Bank of Chicago (Sept. 5, 2023), <https://www.federalreserve.gov/supervisionreg/files/calk-20230905.pdf>.

⁴ 12 CFR 262.3(i).

⁵ 12 U.S.C. § 1467a(e)(2); *see also* 12 CFR 238.15.

NBHI, with consolidated assets of approximately \$1.1 billion, is the 893rd largest insured depository organization in the United States.⁶ NBHI controls approximately \$827.7 million in deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States.⁷ NBHI controls FS Bank, which operates in 14 states.⁸

Competitive Considerations

Section 10(e)(2) of HOLA prohibits the Board from approving a proposal that would result in a monopoly or that would be in furtherance of any combination or conspiracy to monopolize, or to attempt to monopolize, the savings and loan business in any part of the United States.⁹ HOLA also prohibits the Board from approving a proposal if the proposal would substantially lessen competition, tend to create a monopoly, or in any other manner restrain trade in any section of the country, unless the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the community to be served.¹⁰

The Trust is a newly formed entity that does not control any depository institutions. The Trust would control only FS Bank following the proposed transaction, and the proposal does not involve a merger or an acquisition that would result in a monopoly or elimination of a competitor in any relevant market. The Department of Justice conducted a review of the potential competitive effects of the proposal and has

⁶ Consolidated asset and national ranking data are as of December 31, 2025.

⁷ Consolidated national deposit and market share data are as of December 31, 2025. In this context, insured depository institutions include commercial banks, savings associations, and savings banks.

⁸ FS Bank currently operates branches in Illinois. The Trust represents that FS Bank also operates loan production offices and customer support centers in Arizona, Colorado, Florida, Georgia, Illinois, Massachusetts, Missouri, New Jersey, New York, North Carolina, Ohio, Oregon, Texas, and Virginia.

⁹ 12 U.S.C. § 1467a(e)(2)(A); *see also* 12 CFR 238.15(a)(1).

¹⁰ 12 U.S.C. § 1467a(e)(2)(B); *see also* 12 CFR 238.15(a)(2).

advised the Board that it did not conclude that the proposal would have a significantly adverse effect on competition. In addition, the appropriate banking agencies have been afforded an opportunity to comment and have not objected to the proposal.

Based on all the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of resources in any relevant banking market. Accordingly, the Board determines that competitive considerations are consistent with approval.

Financial, Managerial, and Other Supervisory Considerations

In reviewing a proposal under HOLA, the Board considers the financial and managerial resources and the future prospects of the institutions involved.¹¹ In its evaluation of financial factors, the Board reviews information regarding the financial condition of the organizations involved on both parent-only and consolidated bases, as well as information regarding the financial condition of the subsidiary depository institutions and the organizations' significant nonbanking operations. In this evaluation, the Board considers a variety of public and supervisory information regarding capital adequacy, asset quality, liquidity, and earnings performance, as well as any public comments on the proposal. The Board evaluates the financial condition of the resulting organization, including its capital position, asset quality, liquidity, earnings prospects, and the impact of the proposed funding of the transaction. The Board also considers the ability of the organization to absorb the costs of the proposal and to complete the proposed integration of operations of the institutions effectively. In assessing financial factors, the Board considers capital adequacy to be especially important. The Board considers the future prospects of the organizations involved in light of their financial and managerial resources and the proposed business plan.

NBHI and FS Bank are well capitalized, and the resulting organization would remain so upon consummation of the proposal. The proposed transaction is a

¹¹ 12 U.S.C. § 1467a(e)(2).

transfer of shares to an irrevocable trust.¹² The capital, asset quality, earnings, and liquidity of FS Bank are consistent with approval, and the Trust appears to have adequate resources to absorb the related costs of the proposal. The proposal involves only the transfer of shares of NBHI; therefore, there would be no integration of operations. In addition, the future prospects of the institutions are considered consistent with approval.

The Board also has considered the managerial resources of the organizations involved and the public comments received on the proposal.¹³

¹² To effect the transaction, the Trust would acquire all of Mr. Stephen Calk's shares of NBHI, which constitute 52.3 percent of the shares of NBHI. The Trust would be an irrevocable trust managed by an independent third-party trustee. Mr. Calk would be the sole beneficiary of the Trust and would have no ability to influence the operations of the Trust or the Trust's exercise of control over the shares of NBHI that it controls. The only assets held by the Trust would be the shares of NBHI. In addition, Mr. Calk would provide an irrevocable voting proxy to the independent trustee of the Trust.

The Board received a comment alleging that the proposed transfer of shares to the Trust would be impermissible under an existing agreement among the shareholders of NBHI. The commenter further alleged that the proposed transaction may lead to litigation between Mr. Calk and NBHI that would not be in the best interests of the safety and soundness of NBHI and FS Bank. In response, the Trust asserts that the proposed transaction would be permissible under the shareholder agreement. In addition, the Trust asserts that consideration of whether the transaction would comply with private agreements is outside the factors that the Board may consider under HOLA.

The Board notes that the courts have concluded that the limited jurisdiction to review applications under a banking statute does not authorize the Board to consider matters relating only to corporate governance and the proper compensation of shareholders. *See Western Bancshares, Inc. v. Board of Governors*, 480 F.2d 749 (10th Cir. 1973); *see also Valley View Bancshares, Inc.*, 85 Fed. Res. Bull. 64, 64 n.3 (January 1999); *Juniata Valley Financial Corp.*, 92 Fed. Res. Bull. C171, C173 n.15 (August 2006). These matters may involve state and federal securities laws and state corporate law that may be raised before a court with the authority to provide shareholders with adequate relief, if appropriate.

¹³ The Board received a comment alleging that Mr. Calk may not be eligible to be a controlling shareholder of a financial institution due to his criminal conviction. *See* Department of Justice, Bank CEO Stephen M. Calk Sentenced To One Year And One Day For Corruptly Soliciting A Presidential Administration Position In Exchange For Approving \$16 Million In Loans (Feb. 7, 2022), <https://www.justice.gov/usao-sdny/pr/bank-ceo-stephen-m-calk-sentenced-one-year-and-one-day-corruptly-soliciting>.

The Board has reviewed the experience of the proposed trustee of the Trust and the examination records and other supervisory information concerning NBHI and FS Bank, including assessments of their management, risk-management systems, and operations. In addition, the Board has considered information provided by the Trust; the Board's supervisory experiences and those of other relevant bank supervisory agencies with the organizations; the organizations' records of compliance with applicable banking, consumer protection, and anti-money-laundering laws; and the public comments on the proposal. The Trust represents that the proposed transfer will not lead to any changes in management or policies at FS Bank.

Based on all the facts of record, including, as applicable, NBHI's, FS Bank's, and the Trust's supervisory record, managerial and operational resources, and plans for operating the resulting institution after consummation, the Board determines that considerations relating to the financial and managerial resources and the future prospects of the organizations involved in the proposal, as well as the records of effectiveness of the institutions in combatting money-laundering activities, are consistent with approval.

Convenience and Needs Considerations

In acting on a proposal under section 10(e) of HOLA, the Board considers the effects of the transaction on the convenience and needs of the communities to be served.¹⁴ In evaluating whether the proposal satisfies the convenience and needs

As noted above, the purpose of the proposed transaction is to facilitate Mr. Calk's compliance with the prohibitions of section 19 of the Federal Deposit Insurance Act, and the proposal would not result in Mr. Calk being a controlling shareholder of a financial institution.

This commenter also noted that the proposed trustee of the Trust is on the board of directors of another banking organization. However, the proposed trustee's service would not be prohibited by the Depository Institution Management Interlocks Act, the Board's Regulation L, or subpart J of the Board's Regulation LL. *See* 12 U.S.C. § 3201 *et seq.*; 12 CFR 212.1 *et seq.*; 12 CFR 238.91 *et seq.*

¹⁴ 12 U.S.C. § 1467a(e)(2); 12 CFR 238.15(b)(3).

statutory factor, the Board considers the impact that the proposal will or is likely to have on the communities served by the resulting organization. The Board reviews a variety of information to determine whether the relevant institution's records demonstrate a history of helping to meet the needs of their customers and communities. The Board also reviews the institution's post-consummation plans and the expected impact of those plans on the communities served by the institution, including on low- and moderate-income ("LMI") individuals and communities. The Board considers whether the relevant institutions are helping to meet the credit needs of the communities they serve and are providing access to banking products and services that meet the needs of customers and communities, including the potential impact of branch closures, consolidations, and relocations on that access. In addition, the Board reviews the records of the relevant depository institutions under the Community Reinvestment Act of 1977 ("CRA").¹⁵ The Board strongly encourages insured depository institutions to help meet the credit needs of the local communities in which they operate, consistent with the institutions' safe and sound operation and their obligations under the CRA.¹⁶

In addition, the Board considers the institutions' overall compliance records and recent fair lending examinations. Fair lending laws require all lending institutions to provide applicants with equal access to credit, regardless of their race, ethnicity, gender, or certain other characteristics. The Board also considers assessments of other relevant supervisors, the supervisory views of examiners, other supervisory information, information provided by the applicant, and public comments on the proposal. The Board also may consider the applicant's business model and intended marketing and outreach, the resulting organization's plans after consummation, and any other information the Board deems relevant.

In assessing the convenience and needs factor in this case, the Board has considered all the facts of record, including reports of examination of the CRA

¹⁵ 12 U.S.C. § 2901 *et seq.*

¹⁶ *See* 12 U.S.C. § 2901(b).

performance of FS Bank, the fair lending and compliance records of the depository institution, the supervisory views of the Office of the Comptroller of the Currency (“OCC”), confidential supervisory information, information provided by the Trust, and the public comments on the proposal.

Summary of Public Comment on Convenience and Needs

A commenter objected to the proposal, alleging that, based on data reported under the Home Mortgage Disclosure Act of 1975 (“HMDA”),¹⁷ FS Bank made fewer home loans to African American individuals as compared to white individuals in Illinois in 2025, and in New York and nationwide in 2024. The commenter also alleged that FS Bank denied home loan applications of African American individuals at a higher rate than those of white individuals in Illinois in 2025, and nationwide in 2024.

Businesses of the Involved Institution

FS Bank operates two full-service branches in Illinois, as well as 21 loan production offices located in Illinois and 13 other states. FS Bank’s primary loan product is residential real estate loans, with a focus on loans guaranteed by the U.S. Department of Veterans Affairs.

Records of Performance under the CRA

In evaluating the CRA performance of the involved institutions, the Board generally considers each institution’s most recent CRA performance evaluation and the supervisory views of relevant federal supervisors, which in this case is the OCC.¹⁸ In addition, the Board considers information provided by the applicant and any public commenters.

The CRA requires that the appropriate federal financial supervisor for a depository institution prepare a written evaluation of the institution’s record of helping to meet the credit needs of its entire community, including LMI neighborhoods.¹⁹ An

¹⁷ 12 U.S.C. § 2801 *et seq.*

¹⁸ See Interagency Questions and Answers Regarding Community Reinvestment, 81 *Federal Register* 48506, 48548 (July 25, 2016).

¹⁹ 12 U.S.C. § 2906.

institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation by the institution's primary federal financial supervisor of the institution's overall record of lending in its communities.

In general, federal financial supervisors apply a lending test ("Lending Test") and a community development test ("Community Development Test") to evaluate the performance of an intermediate small depository institution, such as FS Bank, in helping to meet the credit needs of the communities the depository institution serves. The Lending Test specifically evaluates an institution's lending-related activities to determine whether the institution is helping to meet the credit needs of individuals and geographies of all income levels. As part of the Lending Test, examiners review and analyze an institution's data reported under HMDA, in addition to other reports generated by the institution, in order to assess an institution's lending activities with respect to borrowers and geographies of different income levels. The institution's lending performance is evaluated based on the institution's (1) loan-to-deposit ratio and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments; (2) percentage of loans and, as appropriate, other lending-related activities located in the bank's assessment areas ("AAs"); (3) record of lending to, and, as appropriate, engaging in other lending-related activities for, borrowers of different income levels and businesses and farms of different sizes; (4) geographic distribution of loans; and (5) record of taking action, if warranted, in response to written complaints about the institution's performance in helping to meet credit needs in the depository institution's AAs.²⁰ The Community Development Test evaluates the number and amounts of the institution's community development loans and qualified investments; the extent to which the institution provides

²⁰ See 12 CFR 228.26(b) (2023).

community development services; and the institution's responsiveness through such activities to community development lending, investment, and service needs.²¹

The Board is concerned when HMDA data reflect disparities in the rates of loan applications, originations, and denials among members of different racial, ethnic, or gender groups in local areas. These types of disparities may indicate weaknesses in the adequacy of policies and programs at an institution for meeting its obligations to extend credit fairly. However, other information critical to an institution's credit decisions may not be available from public HMDA data.²² Consequently, the Board considers additional information not available to the public that may be needed from the institution and evaluates disparities in the context of the additional information obtained regarding the lending and compliance record of an institution.

CRA Performance of FS Bank

FS Bank was assigned an overall rating of "Satisfactory" at its most recent CRA performance evaluation by the OCC, as of May 6, 2024 (the "FS Bank Evaluation").²³ FS Bank received "Satisfactory" ratings for each of the Lending and Community Development Tests.²⁴

With respect to the Lending Test, examiners found that FS Bank's overall lending performance in the AA was reasonable. Examiners also found that the depository

²¹ See 12 CFR 228.26(c) (2023).

²² Importantly, credit scores are not available in the public HMDA data. Accordingly, when conducting fair lending examinations, examiners analyze additional information not available to the public before reaching a determination regarding an institution's compliance with fair lending laws.

²³ The FS Bank Evaluation was conducted using Intermediate Small Bank CRA Examination Procedures. The evaluation period was from January 1, 2021, to December 31, 2023.

²⁴ The FS Bank Evaluation involved a review of the depository institution's activities in two AAs that are part of the same Metropolitan Statistical Area, one of which includes all of Cook and DuPage counties in Illinois, and the other which includes all of Lake County in Illinois. Examiners combined the two AAs for analysis purposes and performed a full-scope review of the combined AA.

institution's geographic distribution of loans in the AA was excellent and that FS Bank exhibited a reasonable distribution of loans to individuals of different income levels in the AA. Examiners found that the depository institution's loan-to-deposit ratio was more than reasonable. Examiners also noted that the depository institution originated or purchased a substantial majority of its loans outside the AA.

With respect to the Community Development Test, examiners found that FS Bank exhibited adequate responsiveness to community development needs in the AA through qualified loans, investments, and services. Examiners also found that the depository institution's community development services focused on providing financial education and serving in leadership roles at organizations providing community services or economic development to LMI individuals and geographies in the AA.

Additional Supervisory Views

In its review of the proposal, the Board consulted with and considered the views of the OCC as the primary federal supervisor of FS Bank.²⁵ The Board also considered the results of the most recent consumer compliance examination of FS Bank, which included a review of the depository institution's compliance management program and its compliance with consumer protection laws and regulations, including fair lending.

The Board has taken this information, as well as the CRA performance record of FS Bank, into account in evaluating the proposal, including in considering whether the Trust has the experience and resources to ensure that the resulting organization would help meet the credit needs of the communities to be served following the proposed transaction.

Additional Convenience and Needs Considerations

The Board also considers other potential effects of the proposal on the convenience and needs of the communities to be served. This includes, for example, the

²⁵ On April 2, 2026, FS Bank entered into a consent order with the OCC related to certain refinance loans guaranteed by the U.S. Department of Veterans Affairs. After the proposed transaction, the OCC would continue to supervise FS Bank's adoption and implementation of the corrective actions required by the consent order.

resulting organization's business model and intended marketing and outreach and existing and anticipated product and service offerings in the communities to be served by the organization, any additional plans the resulting organization has for meeting the needs of its communities following consummation, and any other information the Board deems relevant. The Trust represents that no specific changes to products or services of FS Bank are contemplated as a result of the proposed transaction. The Trust further represents that the proposed transaction is not expected to affect FS Bank's branch locations, operations, or current management.

Branch Closures

Physical branches remain important to many banking organizations' ability to meet the credit needs of the local communities in which they operate. When banking organizations combine, whether through acquisitions, mergers, or consolidations, the combination has the potential to increase or to reduce consumers' and small businesses' access to available credit and other banking services. Although the Board does not have the authority to prohibit a bank from closing a branch, the Board focuses on the impact of expected branch closures, consolidations, and relocations that occur in connection with a proposal on the convenience and needs of the communities to be served by the resulting institution. In particular, the Board considers the effect of any closures, consolidations, or relocations on LMI communities.

Federal banking law provides a specific mechanism for addressing branch closings, including requiring that a bank provide notice to the public and the appropriate federal supervisory agency before a branch is closed.²⁶ In addition, the federal banking supervisory agencies evaluate a bank's record of opening and closing branches, particularly branches located in LMI geographies or primarily serving LMI individuals, as part of the CRA examination process.²⁷

²⁶ See 12 U.S.C. § 1831r-1. The bank also is required to provide reasons and other supporting data for the closure, consistent with the institution's written policy for branch closings.

²⁷ See, e.g., 12 CFR 228.24(d)(2) (2023).

The Trust represents that it does not anticipate that any existing branches of FS Bank would be closed, consolidated, or relocated in connection with the proposal.

Conclusion on Convenience and Needs Considerations

The Board has considered all the facts of record, including the record of FS Bank under the CRA, the institutions' records of compliance with fair lending and other consumer protection laws, supervisory information, information provided by the Trust, the public comments on the proposal, and other potential effects of the proposal on the convenience and needs of the communities to be served. Based on that review, the Board determines that the convenience and needs factor is consistent with approval.

Effect of the Transaction on the Savings Association, and Insurance Risk to the Deposit Insurance Fund

In acting on a proposal under section 10(e) of HOLA, the Board considers the likely effect of the transaction on the savings association and on the insurance risk to the Deposit Insurance Fund.²⁸ As discussed above, the financial and managerial resources and the future prospects of the resulting organization are consistent with approval. The Board has considered the likely effect of the transaction on the resultant depository institution and believes that it is consistent with approval. Given that the proposal is a transfer of shares to an irrevocable trust to allow compliance by Mr. Calk with section 19 of the Federal Deposit Insurance Act that is unlikely to have a material financial effect on the depository institution, the Board believes that the proposal would not appear likely to have a material impact on the risk to the Deposit Insurance Fund.

Conclusion

Based on the foregoing and all the facts of record, the Board determines that the proposal should be, and hereby is, approved. In reaching its conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under HOLA and other applicable statutes. The Board's approval is specifically conditioned on compliance by the Trust with all the conditions imposed in this order and

²⁸ 12 U.S.C. § 1467a(e)(2).

on any commitments made to the Board in connection with the proposal. The Board's approval also is conditioned on receipt by the Trust of all required regulatory approvals. For purposes of this action, the conditions and commitments are deemed to be conditions imposed in writing by the Board in connection with its findings and decision herein and, as such, may be enforced in proceedings under applicable law.²⁹

The proposal may not be consummated later than three months after the effective date of this order unless such period is extended for good cause by the Board or the Federal Reserve Bank of Chicago, acting under delegated authority.

By order of the Board of Governors,³⁰ effective May 13, 2026.

(signed) Michele Taylor Fennell

Michele Taylor Fennell
Associate Secretary of the Board

²⁹ See 12 U.S.C. § 1818(b)(1).

³⁰ Voting for this action: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Bowman, and Governors Waller, Cook, Barr, and Miran.