

BANK ABBREVIATED BUSINESS PLAN

I. SET UP BANK HOLDING COMPANY

- A. Bank**
- B. Trust Company**
- C. Investment & Development Co**

II. HOW TO EXPAND AND DIVERSIFY

- A. Trust Department – Make this the focal point of the bank**
 - a. Set up offices at Head office in Newport Beach, and branches in Las Vegas, Texas, Washington D C, and other places.**
 - b. As soon as one office is profitable open the next trust office**
 - c. Emphasize the Trust Dept rather than the bank, although they are both regulated by the same regulators.**
 - d. The trust co will generate income and cash flow and generate free deposits and controlled deposits from the trust clients.**
 - e. This is fee generated without the risk of loans.**
- B. Set up mortgage department – same locations and same offices**
 - a. Originate mortgage loans and sell them off and keep servicing**
 - b. Originate SBA loans – sell and service**
 - c. Do residential, HUD, VA, commercial, private money from trust clients, SBA, and reverse mortgages**
 - d. These would all be sold off, and income would be generated from originating and servicing with very little exposure.**
 - e. Reverse Mortgages; invest the money through self directed IRA's and generate free deposits from trust clients**
- C. Set up e-banking- generate deposits from all over the country**
 - a. This way the bank can keep the full customer relationship from mortgages, trust and deposits with a minimum of exposure.**
 - b. Do webinars and even seminars to generate the business all over.**
- D. Property management division in the Trust Co**
 - a. Manage not only trust assets but other property for bank and trust customers.**
 - b. This generates cash flow and is a great way to obtain new clientele.**
 - c. The trust department can manage property for large charities like Universities and Churches. It gives the charity credibility to have the trust department of a bank manage their property. This way the bank can be instrumental in setting up Charitable remainder trusts.**

- E. Set up merchant processing through ACH computer clearing program.**
- F. Marketing**
 - a. Stay away from high profile expensive marketing programs**
 - b. Market through websites, webinars, seminars, and referrals**
 - c. The SBA will assist in putting on seminars.**
 - d. Universities and large churches and charities will assist in seminars for setting up trusts and donations,**
 - e. Doctors are always a good source of income through deposits, trust, and management of properties and IRA's**
 - f. Seminars can be used to develop property management business**

III. SUMMARY

- A. Growth**
 - a. The above will develop quick growth by setting up a captive audience nationwide with controlled deposits.**
 - b. By expanding only after each new office is profitable.**
- B. Income and cash flow**
 - a. Generate income from loan servicing with cash flow and profits with low risk.**
 - b. Cash flow from property management and captive deposits with low risk.**
 - c. The trust department generates income nationwide and builds customer base.**
 - d. By originating SBA loans it builds business customers while helping clients grow.**
 - e. The Reverse Mortgage program builds deposits and generates trust income by managing the retirement accounts, especially the Self Directed IRA'S.**
 - f. The bank can make loans to the trust clients to assist them in increasing their return by investing more of their capital in real estate, real estate notes, and tax liens.**
- C. Stay away from credit cards and personal loans. Refer those out.**
- D. This Business Plan gives steady growth, excellent income and cash flow, very low risk, and a steady and conservative increase in stockholder equity, plus it is somewhat recession proof because the trust business and property management business will be very steady in good times and poor times. The loans are mostly sold off or are captive to the trust clients.**
- E. Set up Board of Directors from local people that can generate business**
- F. Make sure there are no buy outs or golden parachutes.**

- G. Set up a strong Advisory Board of high profile people that do not want the liability of being on the Board of Directors, but will readily accept a position on the Advisory Board. This strengthens marketing without the high cost.**
- H. Last but certainly not least, this plan will keep the regulators from your door step because of the low risk nature of the plan, and high profit potential.**