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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089               |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                           | <b>2009</b>                                   |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                           | <b>This Form is Open to Public Inspection</b> |

|                                                                                                          |                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u> |                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|                                                                                                                                                                                                                                    |                                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b>                                                                                                                                                                                                                     | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                    |
| <b>1a</b> Name of plan<br><u>FALCON INTERNATIONAL BANK 401(K) PLAN</u>                                                                                                                                                             | <b>1b</b> Three-digit plan number (PN) ► <u>001</u><br><b>1c</b> Effective date of plan<br><u>07/01/1998</u>                                                                                      |
| <b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan)<br>(Address should include room or suite no.)<br><u>FALCON INTERNATIONAL BANK</u><br><br><u>5219 MCPHERSON ROAD</u><br><u>LAREDO, TX 78041</u> | <b>2b</b> Employer Identification Number (EIN)<br><u>74-2382841</u><br><b>2c</b> Sponsor's telephone number<br><u>956-723-2265</u><br><b>2d</b> Business code (see instructions)<br><u>522110</u> |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|                  |                                                          |                   |                                                              |
|------------------|----------------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | <u>Filed with authorized/valid electronic signature.</u> | <u>09/29/2010</u> | <u>ADRIANA RAMIREZ</u>                                       |
|                  | <b>Signature of plan administrator</b>                   | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                          |                   |                                                              |
|                  | <b>Signature of employer/plan sponsor</b>                | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                          |                   |                                                              |
|                  | <b>Signature of DFE</b>                                  | Date              | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)  
v.092307.1

|                                                                                                                                                                     |                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>FALCON INTERNATIONAL BANK<br><br>5219 MCPHERSON ROAD<br>LAREDO, TX 78041 | <b>3b</b> Administrator's EIN<br>74-2382841<br><br><b>3c</b> Administrator's telephone number<br>956-723-2265 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                       |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><br><b>a</b> Sponsor's name | <b>4b</b> EIN<br><br><b>4c</b> PN |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|

|                                                                         |          |     |
|-------------------------------------------------------------------------|----------|-----|
| <b>5</b> Total number of participants at the beginning of the plan year | <b>5</b> | 477 |
|-------------------------------------------------------------------------|----------|-----|

|                                                                                                                                                        |           |     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). |           |     |
| <b>a</b> Active participants.....                                                                                                                      | <b>6a</b> | 326 |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                     | <b>6b</b> | 0   |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                      | <b>6c</b> | 139 |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                               | <b>6d</b> | 465 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                              | <b>6e</b> | 0   |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                | <b>6f</b> | 465 |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....         | <b>6g</b> | 404 |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....             | <b>6h</b> | 18  |

|                                                                                                                                      |          |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) ..... | <b>7</b> |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:  
 2E 2F 2G 2J 2K 3D

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

|                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- (1) ☒ **R** (Retirement Plan Information)  
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- (1) ☒ **H** (Financial Information)  
 (2) ☐ **I** (Financial Information – Small Plan)  
 (3) ☐ **A** (Insurance Information)  
 (4) ☒ **C** (Service Provider Information)  
 (5) ☒ **D** (DFE/Participating Plan Information)  
 (6) ☐ **G** (Financial Transaction Schedules)

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>2009</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>This Form is Open to Public Inspection.</b> |
| For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009                                                                                                                                |                                                                                                                                                                                                                        |                                                |
| <b>A</b> Name of plan<br>FALCON INTERNATIONAL BANK 401(K) PLAN                                                                                                                                                            | <b>B</b> Three-digit plan number (PN) ▶                                                                                                                                                                                | 001                                            |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>FALCON INTERNATIONAL BANK                                                                                                                                | <b>D</b> Employer Identification Number (EIN)<br>74-2382841                                                                                                                                                            |                                                |

**Part I Service Provider Information (see instructions)**

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

ALLIANZ GLOBAL INVESTORS DISTRIBUTO 1345 AVENUE OF THE AMERICAS  
NEW YORK, NY 10105

**(b)** Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

BLACKROCK INVESTMENTS, INC.  
  
23-2784752

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FIDELITY DISTRIBUTORS CORP. 500 SALEM STREET  
MAIL ZONE O3N  
SMITHFIELD, RI 02917

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

GOLDMAN SACHS 71 SOUTH WACKER DRIVE  
SUITE 500  
CHICAGO, IL 60606

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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INVESCO DISTRIBUTORS, INC.

74-1894784

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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JANUS DISTRIBUTORS, LLC

151 DETROIT STREET  
DENVER, CO 80206

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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ALLIANZ GLOBAL INVESTORS DISTRIBUTO

1345 AVENUE OF THE AMERICAS  
NEW YORK, NY 10105

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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T. ROWE PRICE

100 EAST PRATT STREET  
BALTIMORE, MD 21202

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

ADP BROKER-DEALER

22-3319984

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 60 63 99                      | RECORD KEEPER                                                                                            | 0                                                                             | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                   | 0                                                                                                                                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                 |

**(a)** Enter name and EIN or address (see instructions)

ADP

22-1467904

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 15 37 64 50                   | RECORD KEEPER                                                                                            | 6525                                                                          | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                   | 0                                                                                                                                                                                      | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                 |

**(a)** Enter name and EIN or address (see instructions)

STATE STREET CORPORATION

04-1867445

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 25 64 52                      | DIRECTED TRUSTEE/CUSTODIA                                                                                | 0                                                                             | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                   | 8455                                                                                                                                                                                   | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                 |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect compensation |
|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| ADP BROKER-DEALER                                       | 60 63                                   | 0                                         |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BLACKROCK INVESTMENTS, INC.<br><br>23-2784752                       | ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS.<br>ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS.                                                                         |

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect compensation |
|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| ADP BROKER-DEALER                                       | 60 63 99                                | 0                                         |

| (d) Enter name and EIN (address) of source of indirect compensation      | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GOLDMAN SACHS<br>71 SOUTH WACKER DRIVE<br>SUITE 500<br>CHICAGO, IL 60606 | ANNUAL RATE 0.0015 OF AVERAGE DAILY ASSETS.<br>ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS.<br>ANNUAL RATE 0.001 OF AVERAGE DAILY ASSETS.                           |

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect compensation |
|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| ADP BROKER-DEALER                                       | 60 63                                   | 0                                         |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| INVESCO DISTRIBUTORS, INC.<br><br>74-1894784                        | ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS.<br>ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS.                                                                         |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2                                  | (b) Service Codes<br>(see instructions)                                                    | (c) Enter amount of indirect compensation                                                                                                                          |
|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ADP BROKER-DEALER                                                                        | 60 63                                                                                      | 0                                                                                                                                                                  |
| (d) Enter name and EIN (address) of source of indirect compensation                      |                                                                                            | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
| FIDELITY DISTRIBUTORS CORP.<br>500 SALEM STREET<br>MAIL ZONE 03N<br>SMITHFIELD, RI 02917 | ANNUAL RATE 0.0005 OF AVERAGE DAILY ASSETS.<br>ANNUAL RATE 0.005 OF AVERAGE DAILY ASSETS.  |                                                                                                                                                                    |
|                                                                                          |                                                                                            |                                                                                                                                                                    |
| (a) Enter service provider name as it appears on line 2                                  | (b) Service Codes<br>(see instructions)                                                    | (c) Enter amount of indirect compensation                                                                                                                          |
| ADP BROKER-DEALER                                                                        | 60 63                                                                                      | 0                                                                                                                                                                  |
| (d) Enter name and EIN (address) of source of indirect compensation                      |                                                                                            | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
| JANUS DISTRIBUTORS, LLC<br>151 DETROIT STREET<br>DENVER, CO 80206                        | ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS.<br>ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS. |                                                                                                                                                                    |
|                                                                                          |                                                                                            |                                                                                                                                                                    |
| (a) Enter service provider name as it appears on line 2                                  | (b) Service Codes<br>(see instructions)                                                    | (c) Enter amount of indirect compensation                                                                                                                          |
| ADP BROKER-DEALER                                                                        | 60                                                                                         | 0                                                                                                                                                                  |
| (d) Enter name and EIN (address) of source of indirect compensation                      |                                                                                            | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
| ALLIANZ GLOBAL INVESTORS DISTRIBUTO<br>1345 AVENUE OF THE AMERICAS<br>NEW YORK, NY 10105 | ANNUAL RATE 0.002 OF AVERAGE DAILY ASSETS.                                                 |                                                                                                                                                                    |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                                                                                                 | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| ADP BROKER-DEALER                                                   | 63                                                                                                                                                                                                                                      | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.                                                                      |                                           |
| PIONEER INVESTMENT MANAGEMENT, INC<br><br>13-1961193                | ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS.                                                                                                                                                                                             |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                                                                                                 | (c) Enter amount of indirect compensation |
| ADP BROKER-DEALER                                                   | 60 63                                                                                                                                                                                                                                   | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.                                                                      |                                           |
| T. ROWE PRICE<br>100 EAST PRATT STREET<br>BALTIMORE, MD 21202       | ANNUAL RATE 0.0015 OF AVERAGE DAILY ASSETS.<br>ANNUAL RATE 0.005 OF AVERAGE DAILY ASSETS.                                                                                                                                               |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                                                                                                 | (c) Enter amount of indirect compensation |
| ADP BROKER-DEALER                                                   | 99                                                                                                                                                                                                                                      | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.                                                                      |                                           |
| STATE STREET CORPORATION<br><br>04-1867445                          | ANNUAL RATE 0.0067 OF AVERAGE DAILY ASSETS.<br>ANNUAL RATE 0.0068 OF AVERAGE DAILY ASSETS.<br>ANNUAL RATE 0.0075 OF AVERAGE DAILY ASSETS.<br>ANNUAL RATE 0.0076 OF AVERAGE DAILY ASSETS.<br>ANNUAL RATE 0.0087 OF AVERAGE DAILY ASSETS. |                                           |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect compensation |
|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| STATE STREET CORPORATION                                | 64 52                                   | 8455                                      |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |  |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| ADP<br><br>22-1467904                                               | PERFORM A YEAR-END ALLOCATION BASED ON TOTAL \$ / TOTAL # OF PLANS AS OF 12/31 WITH EACH SSGA INVESTMENT AND APPLY .5 TO AMOUNT.                                   |  |

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect compensation |
|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
|                                                         |                                         |                                           |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |  |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|                                                                     |                                                                                                                                                                    |  |

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect compensation |
|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
|                                                         |                                         |                                           |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |  |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|                                                                     |                                                                                                                                                                    |  |

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|--------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------|
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |

**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN;       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN;       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>► <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2009</b><br><br><b>This Form is Open to Public Inspection.</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

|                                                                                                   |                                                             |     |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009        |                                                             |     |
| <b>A</b> Name of plan<br>FALCON INTERNATIONAL BANK 401(K) PLAN                                    | <b>B</b> Three-digit plan number (PN) ►                     | 001 |
|                                                                                                   |                                                             |     |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br>FALCON INTERNATIONAL BANK | <b>D</b> Employer Identification Number (EIN)<br>74-2382841 |     |

|                                                                                  |                                                                                                                                                                                  |                                                                                                            |  |
|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|--|
| <b>Part I</b>                                                                    | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |                                                                                                            |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: SSGA S&P 500 INDEX FUND           |                                                                                                                                                                                  |                                                                                                            |  |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST CO |                                                                                                                                                                                  |                                                                                                            |  |
| <b>c</b> EIN-PN 04-0025081-065                                                   | <b>d</b> Entity code C                                                                                                                                                           | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 54594  |  |
|                                                                                  |                                                                                                                                                                                  |                                                                                                            |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: SSGA RUSSELL SMALL CAP INDEX      |                                                                                                                                                                                  |                                                                                                            |  |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST CO |                                                                                                                                                                                  |                                                                                                            |  |
| <b>c</b> EIN-PN 04-0025081-084                                                   | <b>d</b> Entity code C                                                                                                                                                           | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 756    |  |
|                                                                                  |                                                                                                                                                                                  |                                                                                                            |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: SSGA INTERNATIONAL INDEX          |                                                                                                                                                                                  |                                                                                                            |  |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST CO |                                                                                                                                                                                  |                                                                                                            |  |
| <b>c</b> EIN-PN 04-0025081-462                                                   | <b>d</b> Entity code C                                                                                                                                                           | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 183502 |  |
|                                                                                  |                                                                                                                                                                                  |                                                                                                            |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: SSGA STABLE VALUE FUND            |                                                                                                                                                                                  |                                                                                                            |  |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST CO |                                                                                                                                                                                  |                                                                                                            |  |
| <b>c</b> EIN-PN 04-2675543-001                                                   | <b>d</b> Entity code C                                                                                                                                                           | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 748788 |  |
|                                                                                  |                                                                                                                                                                                  |                                                                                                            |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                   |                                                                                                                                                                                  |                                                                                                            |  |
| <b>b</b> Name of sponsor of entity listed in (a):                                |                                                                                                                                                                                  |                                                                                                            |  |
| <b>c</b> EIN-PN                                                                  | <b>d</b> Entity code                                                                                                                                                             | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)        |  |
|                                                                                  |                                                                                                                                                                                  |                                                                                                            |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                   |                                                                                                                                                                                  |                                                                                                            |  |
| <b>b</b> Name of sponsor of entity listed in (a):                                |                                                                                                                                                                                  |                                                                                                            |  |
| <b>c</b> EIN-PN                                                                  | <b>d</b> Entity code                                                                                                                                                             | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)        |  |
|                                                                                  |                                                                                                                                                                                  |                                                                                                            |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                   |                                                                                                                                                                                  |                                                                                                            |  |
| <b>b</b> Name of sponsor of entity listed in (a):                                |                                                                                                                                                                                  |                                                                                                            |  |
| <b>c</b> EIN-PN                                                                  | <b>d</b> Entity code                                                                                                                                                             | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)        |  |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>2009</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>This Form is Open to Public Inspection</b> |

|                                                                                            |                                                                 |     |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----|
| For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009 |                                                                 |     |
| <b>A</b> Name of plan<br>FALCON INTERNATIONAL BANK 401(K) PLAN                             | <b>B</b> Three-digit plan number (PN) ►                         | 001 |
|                                                                                            |                                                                 |     |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>FALCON INTERNATIONAL BANK | <b>D</b> Employer Identification Number (EIN)<br><br>74-2382841 |     |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets                                                                                            |                 | (a) Beginning of Year | (b) End of Year |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                           | <b>1b(1)</b>    |                       |                 |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities.....                                                        | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                           | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                | <b>1c(8)</b>    | 335035                | 393446          |
| <b>(9)</b> Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    | 816999                | 987639          |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   | 1239612               | 1702744         |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 2391646               | 3083829         |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |   |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |   |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |   |   |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |   |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |         |         |
|-----------------------------------------------------------|-----------|---------|---------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 2391646 | 3083829 |
|-----------------------------------------------------------|-----------|---------|---------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 20601      |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 341022     |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 361623    |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> | 19780      |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| (G) Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                                     | <b>2b(1)(G)</b> |            | 19780     |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 31421      |           |
| (D) Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                         | <b>2b(2)(D)</b> |            | 31421     |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0         |

|                                                                                                   |                 | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....                                                                                   | <b>2b(5)(B)</b> |            |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            | 0         |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            | 66408     |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            | 403324    |
| <b>c</b> Other income.....                                                                        | <b>2c</b>       |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 882556    |

**Expenses**

|                                                                                            |              |        |        |
|--------------------------------------------------------------------------------------------|--------------|--------|--------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |        |        |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 183796 |        |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |        |        |
| (3) Other .....                                                                            | <b>2e(3)</b> |        |        |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |        | 183796 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |        |        |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |        | 52     |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |        |        |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> |        |        |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> |        |        |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> |        |        |
| (4) Other .....                                                                            | <b>2i(4)</b> | 6525   |        |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |        | 6525   |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |        | 190373 |

**Net Income and Reconciliation**

|                                                                               |              |  |        |
|-------------------------------------------------------------------------------|--------------|--|--------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 692183 |
| <b>l</b> Transfers of assets:                                                 |              |  |        |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |        |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  |        |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PADGETT, STRATEMANN & CO. L.L.P.

(2) EIN: 74-1650885

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

|                                                                                                                                                                                                                                                                                                                 | Yes | No | Amount |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|--------|
| <b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....                 |     | X  |        |
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)..... |     | X  |        |
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                                                                                                            |     | X  |        |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....                                                                                                                  |     | X  |        |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 240000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |        |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                                      |     | X  |        |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                            |     | X  |        |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   | X   |    |        |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....                                                                                    |     | X  |        |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |        |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |        |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     | X  |        |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                                                                                                        |     |    |        |

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
If yes, enter the amount of any plan assets that reverted to the employer this year ..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

**5b(2)** EIN(s)

**5b(3)** PN(s)

|  |  |  |
|--|--|--|
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>2009</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>This Form is Open to Public Inspection.</b> |

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

|                                                                                            |                                                             |
|--------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| <b>A</b> Name of plan<br>FALCON INTERNATIONAL BANK 401(K) PLAN                             | <b>B</b> Three-digit plan number (PN) ▶<br>001              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>FALCON INTERNATIONAL BANK | <b>D</b> Employer Identification Number (EIN)<br>74-2382841 |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

All references to distributions relate only to payments of benefits during the plan year.

|                                                                                                                                                                                                                                                         |          |   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                   | <b>1</b> | 0 |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br>EIN(s): 57-1198022 |          |   |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                        |          |   |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                         | <b>3</b> |   |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                         |                                                                                                                         |                             |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                     | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                    |                                                                                                                         |                             |                              |
| <b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____                        | If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                             |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year .....                                                                                                                                                                             | <b>6a</b>                                                                                                               |                             |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                              | <b>6b</b>                                                                                                               |                             |                              |
| <b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....                                                                                                         | <b>6c</b>                                                                                                               |                             |                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                           |                                                                                                                         |                             |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                      | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                                |                                   |                                   |                               |                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers ..... | <b>16b</b> |  |

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

**a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the combined investment-grade and high-yield debt:  
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?  
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_

**Falcon International Bank 401(k) Plan**

Financial Statements  
and Supplemental Schedule

December 31, 2009 and 2008

# **Falcon International Bank 401(k) Plan**

## **Table of Contents**

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## Padgett Stratemann & Co. LLP

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

### Independent Auditors' Report

To the Plan Administrator  
Falcon International Bank 401(k) Plan  
Laredo, Texas

We were engaged to audit the financial statements and supplemental schedule of Falcon International Bank 401(k) Plan (the "Plan") as of December 31, 2009 and 2008 (restated), and for the year ended December 31, 2009, as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in note 3, which was certified by State Street Bank and Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the Plan administrator by the trustee is complete and accurate to the best of its knowledge.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Padgett, Stratemann & Co., L.L.P.*

Certified Public Accountants  
September 10, 2010

AUSTIN • SAN ANTONIO

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# Falcon International Bank 401(k) Plan

## Statements of Net Assets Available for Benefits

December 31, 2009 and 2008

| <b>Assets</b>                                                                                      | <b>2009</b>                | <b>2008</b>                |
|----------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| Investments                                                                                        | \$ <u>3,089,559</u>        | \$ <u>2,392,479</u>        |
| Receivables:                                                                                       |                            |                            |
| Employee contributions                                                                             | <u>12,835</u>              | <u>17,046</u>              |
| Employer contributions                                                                             | <u>-</u>                   | <u>4,484</u>               |
| Total receivables                                                                                  | <u>12,835</u>              | <u>21,530</u>              |
| <b>Net Assets</b>                                                                                  |                            |                            |
| Net assets reflecting investments at fair value                                                    | <u>3,102,394</u>           | <u>2,414,009</u>           |
| Adjustments from fair value to contract value for<br>fully benefit-responsive investment contracts | <u>(5,730)</u>             | <u>12,502</u>              |
| Net assets available for benefits                                                                  | \$ <u><u>3,096,664</u></u> | \$ <u><u>2,426,511</u></u> |

*Notes to financial statements form an integral part of these statements.*

## Falcon International Bank 401(k) Plan

### Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2009

Additions to net assets attributed to:

Contributions:

|          |               |
|----------|---------------|
| Employee | \$ 335,978    |
| Employer | <u>16,117</u> |

|                     |                |
|---------------------|----------------|
| Total contributions | <u>352,095</u> |
|---------------------|----------------|

Investment income:

|                                               |               |
|-----------------------------------------------|---------------|
| Net appreciation in fair value of investments | 457,194       |
| Interest                                      | 19,816        |
| Dividends                                     | <u>31,421</u> |

|                         |                |
|-------------------------|----------------|
| Total investment income | <u>508,431</u> |
|-------------------------|----------------|

|                 |                |
|-----------------|----------------|
| Total additions | <u>860,526</u> |
|-----------------|----------------|

Deductions from net assets attributed to:

|                               |                |
|-------------------------------|----------------|
| Benefits paid to participants | (183,848)      |
| Administrative fees           | <u>(6,525)</u> |

|                  |                  |
|------------------|------------------|
| Total deductions | <u>(190,373)</u> |
|------------------|------------------|

|              |         |
|--------------|---------|
| Net increase | 670,153 |
|--------------|---------|

|                                                        |                  |
|--------------------------------------------------------|------------------|
| Net assets available for benefits at beginning of year | <u>2,426,511</u> |
|--------------------------------------------------------|------------------|

|                                                  |                            |
|--------------------------------------------------|----------------------------|
| Net assets available for benefits at end of year | <u><u>\$ 3,096,664</u></u> |
|--------------------------------------------------|----------------------------|

*Notes to financial statements form an integral part of this statement.*

# **Falcon International Bank 401(k) Plan**

## **Notes to Financial Statements**

### **1. Description of Plan**

The following description of Falcon International Bank 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

#### ***General***

The Plan is a defined contribution plan which covers substantially all full time employees of Falcon International Bank (the "Plan Administrator" or the "Bank") who have completed 90 days of service and are age 18 or older. The employee may enter the Plan on the first day of any month following the date eligibility is met. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

#### ***Contributions***

Each year, participants may elect to contribute up to 100% of eligible compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Company contributes \$0.30 per dollar contributed up to 6% of compensation. Contributions are subject to certain limitations. Effective February 2009, the Plan Sponsor discontinued making matching contributions, and the Plan was amended to reflect this change.

#### ***Participant Accounts***

Each participant's account is credited with the participant's contribution and allocations of the Bank's contributions and Plan earnings and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### ***Vesting***

Participants are vested immediately in their contributions and actual earnings thereon. Participants become 20% vested in the Bank's contributions and earnings thereon after two years of service, increasing 20% per year. A participant is 100% vested after six years of credited service.

# **Falcon International Bank 401(k) Plan**

## **Notes to Financial Statements**

### **1. Description of Plan (continued)**

#### ***Participant Loans***

Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates ranging from 5.00% to 8.25%, which are commensurate with local prevailing rates, as determined by the Plan Administrator. Principal and interest are paid through payroll deductions.

#### ***Payment of Benefits***

On termination of service, a participant may elect to receive a lump-sum distribution equal to the value of the participant's vested interest in his or her account. Any balance under \$1,000 is automatically paid out as soon as administratively possible. Hardship withdrawals are also available subject to certain limitations.

#### ***Forfeited Accounts***

At December 31, 2009 and 2008, forfeited nonvested accounts totaled \$4,911 and \$466, respectively. These accounts will be used to reduce future employer contributions and pay the expenses of the Plan. During 2009, employer contributions were reduced by \$927 from forfeited nonvested accounts.

#### ***Expenses of the Plan***

The Plan's administrative expenses are paid by either the Plan or the Bank, as provided by the Plan document.

### **2. Summary of Significant Accounting Policies**

#### ***Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

## **Falcon International Bank 401(k) Plan**

### **Notes to Financial Statements**

#### **2. Summary of Significant Accounting Policies (continued)**

##### ***Estimates (continued)***

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. As required by the FSP, the statements of net assets available for benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

##### ***Basis of Accounting***

The financial statements of the Plan are prepared under the accrual method of accounting.

##### ***Investment Valuation and Income Recognition***

Shares of registered investment companies (mutual funds) are reported at fair value based on the quoted market price of the fund which represents the net asset value of the shares held by the fund at year-end. Shares held in bank common trust funds are reported at fair value based on the unit prices quoted by the fund, representing the fair value of the underlying investments. The fair value of the guaranteed investment contract is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations. Participant loans are valued at their outstanding balances, which approximate fair value.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

##### ***Payment of Benefits***

Benefits are recorded when paid.

# Falcon International Bank 401(k) Plan

## Notes to Financial Statements

### 2. Summary of Significant Accounting Policies (continued)

#### *Recent Accounting Pronouncements*

##### *Codification of Accounting Standards*

In June 2009, the Financial Accounting Standards Board ("FASB") issued the Accounting Standards Codification ("ASC"), which establishes the ASC as the single source of authoritative accounting principles recognized by FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The subsequent issuances of new standards will be in the form of Accounting Standards Updates that will be included in the codification. This guidance is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Plan updated its historical GAAP references to comply with the codification for its years ended December 31, 2009 and 2008. The adoption of this guidance did not have a material effect on the Plan's net assets and changes therein, since the codification is not intended to change GAAP.

##### *Accounting for Uncertainty in Income Taxes*

FASB clarified the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in *Income Taxes – Overall* of the ASC. The new provisions for accounting for the uncertainty in income taxes prescribe a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. They also provide guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure, and transition.

The new provisions of the accounting for the uncertainty in income taxes provided for a deferral of the effective date of implementation for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2008. The Plan elected this deferral and, accordingly, has adopted the new provisions as of January 1, 2009. The adoption of the new provisions for accounting for the uncertainty in income taxes did not have a material impact on its net assets and changes therein.

## Falcon International Bank 401(k) Plan

### Notes to Financial Statements

#### 2. Summary of Significant Accounting Policies (continued)

##### *Recent Accounting Pronouncements (continued)*

##### *Fair Value Measurements and Disclosures*

*Fair Value Measurements and Disclosures* of the ASC defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. *Fair Value Measurements and Disclosures* applies to all other ASC topics that require or permit fair value measurements and does not require any new fair value measurements. The provisions of *Fair Value Measurements and Disclosures* for financial assets and liabilities were effective beginning January 1, 2008. The provisions of *Fair Value Measurements and Disclosures* for nonfinancial assets and nonfinancial liabilities were effective and adopted as of January 1, 2009.

##### *Subsequent Events*

In May 2009, FASB issued an accounting standard to establish general standards of accounting for and disclosure of events that occur after the statement of net assets available for benefits date, but before financial statements are issued or are available to be issued. Specifically, this guidance provides (i) the period after the statement of net assets available for benefits date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; (ii) the circumstances under which an entity should recognize events or transactions occurring after the statement of net assets available for benefits date in its financial statements; and (iii) the disclosures that an entity should make about events or transactions that occurred after the statement of net assets available for benefits date. This guidance is effective for interim or annual financial periods ending after June 15, 2009, and is to be applied prospectively. The Plan adopted this guidance for its year ended December 31, 2009. The adoption of this guidance did not have a material effect on the Plan's net assets or changes therein.

The Plan has evaluated subsequent events that occurred after December 31, 2009 through the date of this report on September 10, 2010. Any material subsequent events that occurred during this time have been properly recognized or disclosed in the financial statements.

## Falcon International Bank 401(k) Plan

### Notes to Financial Statements

#### 3. Information Certified By the Trustee

The Plan Administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by State Street Bank and Trust Company ("State Street"), the trustee of the Plan, except for comparing the information certified by the trustee, to information included in the Plan's financial statements and supplemental schedule.

The following table presents the fair value of participant-directed investments in this Plan that was certified by State Street as of December 31, 2009 and 2008, respectively. Single investments that represent 5% or more of the Plan's net assets as of December 31, 2009 and 2008 are separately identified.

|                                        | December 31, |            |
|----------------------------------------|--------------|------------|
|                                        | 2009         | 2008       |
| Invesco Developing Markets Fund        | \$ 443,084   | \$ 258,869 |
| Blackrock Large Cap Value Fund         | 386,575      | 353,558    |
| Blackrock Global Allocation Fund, Inc. | 254,711      | 191,572    |
| Janus Forty Fund                       | 206,206      | 132,634    |
| PIMCO Total Return Fund                | 257,230      | 200,277    |
| SSgA International Index Fund          | 183,501      | 134,869    |
| SSgA Stable Value Fund                 | 754,518      | 651,149    |
| Participant loans                      | 393,446      | 335,867    |

The trustee also certified the completeness and accuracy of the net appreciation in fair value of investments of \$457,194, the interest of \$19,816, and dividends of \$31,421 for the year ended December 31, 2009.

During 2009, the Plan's investments appreciation in fair value by \$457,194 as follows:

|                              |                   |
|------------------------------|-------------------|
| Collective investment trusts | \$ 422,243        |
| Mutual funds                 | 34,951            |
|                              | <u>\$ 457,194</u> |

## Falcon International Bank 401(k) Plan

### Notes to Financial Statements

#### 4. Fair Value Measurements

The requirements of *Fair Value Measurements and Disclosures* of the ASC apply to all financial instruments (as of December 31, 2009 and 2008) and all nonfinancial assets and nonfinancial liabilities (as of December 31, 2009) that are being measured and reported on a fair value basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. *Fair Value Measurements and Disclosures* also establishes a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels:

- Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Inputs – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

# Falcon International Bank 401(k) Plan

## Notes to Financial Statements

### 4. Fair Value Measurements (continued)

The Plan's investments, measured at fair value by the three levels described above, at December 31, 2009 and 2008 are as follows:

|                                  | Total Fair Value<br>Measurement at<br>December 31,<br>2009 | Level 1             | Level 2           | Level 3           |
|----------------------------------|------------------------------------------------------------|---------------------|-------------------|-------------------|
| Assets:                          |                                                            |                     |                   |                   |
| Mutual funds                     | \$ 1,702,744                                               | \$ 1,702,744        | \$ -              | \$ -              |
| Common collective<br>trust funds | 993,369                                                    | -                   | 993,369           | -                 |
| Participant loans                | 393,446                                                    | -                   | -                 | 393,446           |
| Total assets                     | \$ <u>3,089,559</u>                                        | \$ <u>1,702,744</u> | \$ <u>993,369</u> | \$ <u>393,446</u> |
|                                  |                                                            |                     |                   |                   |
|                                  | Total Fair Value<br>Measurement at<br>December 31,<br>2008 | Level 1             | Level 2           | Level 3           |
| Assets:                          |                                                            |                     |                   |                   |
| Mutual funds                     | \$ 1,239,613                                               | \$ 1,239,613        | \$ -              | \$ -              |
| Common collective<br>trust funds | 816,999                                                    | -                   | 816,999           | -                 |
| Participant loans                | 335,867                                                    | -                   | -                 | 335,867           |
| Total assets                     | \$ <u>2,392,479</u>                                        | \$ <u>1,239,613</u> | \$ <u>816,999</u> | \$ <u>335,867</u> |

## Falcon International Bank 401(k) Plan

### Notes to Financial Statements

#### 4. Fair Value Measurements (continued)

##### *Level 3 Investments*

The following is a summary of the activity of investments classified as Level 3:

|                              | <u>Participant Loans</u> |                |
|------------------------------|--------------------------|----------------|
|                              | <u>Years Ended</u>       |                |
|                              | <u>December 31,</u>      |                |
|                              | <u>2009</u>              | <u>2008</u>    |
| Balance at beginning of year | \$ 335,867               | \$ 112,247     |
| Principal repayments         | (112,294)                | (45,412)       |
| Loan withdrawals             | 172,720                  | 269,865        |
| Deemed distributions         | (2,847)                  | (833)          |
| Balance at end of year       | <u>\$ 393,446</u>        | <u>335,867</u> |

#### 5. Investment Contract With Stable Value Fund

The Plan offers as an investment option a benefit-responsive investment contract with State Street. State Street maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The stable value fund issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in note 2, because the stable value fund is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the stable value fund. Contract value, as reported to the Plan by State Street, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

## **Falcon International Bank 401(k) Plan**

### **Notes to Financial Statements**

#### **5. Investment Contract With Stable Value Fund (continued)**

There are no reserves against contract value for credit risk of the contract issuer or otherwise. Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan); (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions; (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan; or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan Administrator does not believe the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with participants, is probable.

The stable value fund does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

The average yield and crediting interest rates were 3.04% and 3.25% for 2009 and 3.13% and 3.68% for 2008. The crediting interest rate is based on a formula agreed upon with the issuer, but may not be less than 0.00%. Such interest rates are reviewed on a quarterly basis for resetting.

#### **6. Related Party Transactions**

Certain Plan investments are shares of mutual funds managed by State Street, the Plan's current trustee; therefore, these investments qualify as party-in-interest transactions.

#### **7. Plan Termination**

Although it has not expressed intent to do so, the Bank has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employee contributions.

## Falcon International Bank 401(k) Plan

### Notes to Financial Statements

#### 8. Tax Status

Effective March 31, 2008, the Plan adopted a nonstandardized form of a prototype plan sponsored by Automated Data Processing, Inc. The prototype plan has received an opinion letter from the Internal Revenue Service as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by this Plan. The Plan administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the Internal Revenue Code.

#### 9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

#### 10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

|                                                                   | December 31,        |                     |
|-------------------------------------------------------------------|---------------------|---------------------|
|                                                                   | 2009                | 2008                |
| Net assets available for benefits<br>per the financial statements | \$ 3,096,664        | \$ 2,426,511        |
| Receivables                                                       | (12,835)            | (21,530)            |
| Fair market value adjustment                                      | -                   | (12,502)            |
| Deemed distributions                                              | -                   | (833)               |
| Net assets available for benefits per Form 5500                   | <u>\$ 3,083,829</u> | <u>\$ 2,391,646</u> |

## Falcon International Bank 401(k) Plan

### Notes to Financial Statements

#### 10. Reconciliation of Financial Statements to Form 5500 (continued)

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements for the year ended December 31, 2009 to Form 5500:

|                                                                                   |                          |
|-----------------------------------------------------------------------------------|--------------------------|
| Net increase in net assets available for<br>benefits per the financial statements | \$ 670,153               |
| Less: current year receivables                                                    | (12,835)                 |
| Plus: prior year fair market value adjustment                                     | 12,502                   |
| Plus: prior year receivables                                                      | 21,530                   |
| Plus: prior year deemed distribution                                              | <u>833</u>               |
| Net income per Form 5500                                                          | <u><u>\$ 692,183</u></u> |

## Supplemental Schedule

# Falcon International Bank 401(k) Plan

EIN: 74-2382841

## Schedule H, Part IV(i) – Schedule of Assets Held for Investment Purposes

Plan No.: 001

December 31, 2009

| <u>(a)</u> | <u>(b)</u>                                                   | <u>(c)</u>                                                                                                          | <u>(d)</u>       |
|------------|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|------------------|
|            | Identity of Issuer,<br>Borrower, Lessor,<br>or Similar Party | Description of<br>Investment, Including<br>Maturity Date, Rate of<br>Interest, Collateral,<br>Par, or Maturity Date | Current<br>Value |
|            | State Street Bank<br>and Trust Compay*                       | SSgA Stable Value Fund<br>(48,835 shares)                                                                           | \$ 748,788       |
|            | Blackrock                                                    | Blackrock Large Cap Value Fund<br>(29,000 shares)                                                                   | 386,575          |
|            | Invesco                                                      | Invesco Developing Markets Fund<br>(16,112 shares)                                                                  | 443,084          |
|            | PIMCO                                                        | PIMCO Total Return Fund<br>(23,818 shares)                                                                          | 257,230          |
|            | Blackrock                                                    | Blackrock Global Allocation Fund, Inc.<br>(14,238 shares)                                                           | 254,711          |
|            | State Street Bank<br>and Trust Compay*                       | SSgA International Index Fund<br>(14,039 shares)                                                                    | 183,501          |
|            | Janus Capital<br>Management                                  | Janus Forty Fund<br>(6,542 shares)                                                                                  | 206,206          |
|            | Invesco                                                      | Invesco Real Estate Fund<br>(3,726 shares)                                                                          | 66,220           |

\*Party-in interest

# **Falcon International Bank 401(k) Plan**

EIN: 74-2382841

## **Schedule H, Part IV(i) – Schedule of Assets Held for Investment Purposes**

Plan No.: 001

December 31, 2009

(Continued)

| <u>Identity of Issuer,<br/>Borrower, Lessor,<br/>or Similar Party</u> | <u>Description of<br/>Investment, Including<br/>Maturity Date, Rate of<br/>Interest, Collateral,<br/>Par, or Maturity Date</u> | <u>Current<br/>Value</u> |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Goldman Sachs                                                         | Goldman Sachs Growth and Income<br>Strategy Portfolio<br>(5,597 shares)                                                        | \$ 54,904                |
| State Street Bank<br>and Trust Compay*                                | SSgA S&P 500 Index<br>(4,141 shares)                                                                                           | 54,594                   |
| T. Rowe Price                                                         | T. Rowe Retirement 2030 Fund<br>(681 shares)                                                                                   | 10,209                   |
| T. Rowe Price                                                         | T. Rowe Retirement 2040 Fund<br>(514 shares)                                                                                   | 7,715                    |
| Allianz                                                               | Allianz NFJ Small-Cap Value Fund<br>(192 shares)                                                                               | 4,451                    |
| T. Rowe Price                                                         | T. Rowe Retirement 2020 Fund<br>(251 shares)                                                                                   | 3,631                    |
| T. Rowe Price                                                         | T. Rowe Retirement 2050 Fund<br>(408 shares)                                                                                   | 3,439                    |
| T. Rowe Price                                                         | T. Rowe Retirement 2010 Fund<br>(194 shares)                                                                                   | 2,679                    |

\*Party-in-interest

# Falcon International Bank 401(k) Plan

EIN: 74-2382841

## Schedule H, Part IV(i) – Schedule of Assets Held for Investment Purposes

Plan No.: 001

December 31, 2009

(Continued)

| <u>(a)</u> | <u>(b)</u>                                                   | <u>(c)</u>                                                                                                          | <u>(d)</u>          |
|------------|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------|
|            | Identity of Issuer,<br>Borrower, Lessor,<br>or Similar Party | Description of<br>Investment, Including<br>Maturity Date, Rate of<br>Interest, Collateral,<br>Par, or Maturity Date | Current<br>Value    |
|            | Fidelity                                                     | Fidelity Advisor Leveraged Company<br>Stock Fund<br>(56 shares)                                                     | \$ 1,525            |
|            | State Street Bank<br>and Trust Company*                      | SSgA Russell Small Cap Index Fund<br>(45 shares)                                                                    | 756                 |
|            | T. Rowe Price                                                | T. Rowe Price Retirement Income Fund<br>(13 shares)                                                                 | 165                 |
|            | -                                                            | Participant Loans (interest rates<br>ranging from 5.00% to 8.25%,<br>maturing through 2014)                         | 393,446             |
|            |                                                              |                                                                                                                     | <u>\$ 3,083,829</u> |

\*Party-in-interest



## Padgett Stratemann & Co. LLP

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

September 10, 2010

To the Plan Administrator  
Falcon International Bank 401(k) Plan  
5219 McPherson Rd.  
Laredo, Texas 78040

Dear Plan Administrator:

We have audited the financial statements of Falcon International Bank 401(k) Plan (the "Plan") as of and for the year ended December 31, 2009, and have issued our report thereon dated September 10, 2010. Professional standards require that we advise you of the following matters relating to our audit.

***Our Responsibility Under Auditing Standards Generally Accepted in the United States of America***

As communicated in our arrangement letter dated May 6, 2010, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Plan solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

AUSTIN • SAN ANTONIO

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To the Plan Administrator  
Falcon International Bank 401(k) Plan  
Laredo, Texas

September 10, 2010 – page 2

### ***Planned Scope and Timing of the Audit***

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### ***Qualitative Aspects of the Plan's Significant Accounting Practices***

#### ***Significant Accounting Policies***

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Plan is included in note 2 to the financial statements. During 2009, the Plan adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") which establishes the ASC as the single source of authoritative accounting principles recognized by FASB to be applied by nongovernmental entities in the preparation of financial statement in conformity with accounting principles generally accepted in the United States of American ("GAAP"). The Plan also adopted the new provision of accounting for the *Uncertainty in Income Taxes* and *Fair Value Measurements and Disclosures*, for financial assets and financial liabilities. Adoption of these three new accounting principles did not have a material impact on the Plan's changes in net assets available for benefits.

#### ***Significant Accounting Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements is the contract value of the stable value investment. The statement of net assets available for benefits present the fair value of the investment contracts as well as the adjustment of fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on the contract value basis.

To the Plan Administrator  
Falcon International Bank 401(k) Plan  
Laredo, Texas

September 10, 2010 – page 3

*Significant Accounting Estimates (continued)*

Contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attribute to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. We evaluated the key factors and assumptions used to develop the fair value measurement and determined that it is reasonable in relation to the basic financial statements taken as a whole.

*Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Plan's financial statements relate to disclosures relating to investment option of benefit-responsive investment contract with State Street and disclosure requirements of *Fair Value Measurement and Disclosures*.

*Significant Difficulties Encountered During the Audit*

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

*Uncorrected and Corrected Misstatements*

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those we believe are trivial, and communicate them to the appropriate level of management. There were no known or likely identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no material, corrected misstatements identified.

To the Plan Administrator  
Falcon International Bank 401(k) Plan  
Laredo, Texas

September 10, 2010 – page 4

***Disagreements With Management***

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Plan's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

***Representations Requested From Management***

We have requested certain written representations from management, which are included in the attached letter dated September 10, 2010.

***Management's Consultations With Other Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

***Other Significant Findings or Issues***

In the normal course of our professional association with the Plan, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Plan, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Plan's auditors.

Sincerely,

*Radgett, Stratemann & Co., L.L.P.*

Certified Public Accountants

**SIGNED REPRESENTATION LETTER**



September 10, 2010

Padgett, Stratemann & Co. L.L.P.  
100 N.E. Loop 410, Suite 1100  
San Antonio, TX 78216

In connection with your audit of the statements of net assets available for benefits of Falcon International Bank 401(k) (the Plan) as of December 31, 2009 and 2008 and the related statements of changes in net assets available for benefits for the year ended December 31, 2009, we confirm that we are responsible for the fair presentation in the financial statements of net assets and change in net assets in conformity with accounting principles generally accepted in the United States of America applied on a consistent basis and with the reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and whether the supplemental schedule of assets held for investment purposes as of December 31, 2009 is fairly stated in all material respects in relation to the basic financial statements.

We confirm, to the best of our knowledge and belief, as of September 10, 2010, the following representations made to you during your audit.

1. The financial statements and supplemental schedules referenced to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and with the reporting requirements of ERISA.
2. We have answered your questions about the Plan's tax compliance to the best of our knowledge and belief.
3. We have determined that the plan trustee State Street Bank and Trust Company, qualifies to issue a certification of the Plan's investment activity under section 2520.103-8 of the United States Department of Labor's Rules and Regulations. As a result, we instructed you not to perform any audit procedures over the investment information certified or provided by State Street Bank and Trust Company.
4. We have made available to you:



- a. The currently effective version of the Plan document, including prototype plan document and adoption agreement, the trust agreement or insurance contracts and all related amendments. The Plan was most recently amended March 1, 2009.
  - b. All correspondence, filings, reports, and determinations with the Internal Revenue Service (IRS) and the Department of Labor (DOL) relating to the Plan's compliance with ERISA and the maintenance of its tax-exempt status.
  - c. All Plan financial records and related data. In that regard, the payroll information we provided you covered all employees that were eligible to participate in the Plan.
5. We have no knowledge of fraud or suspected fraud affecting the Plan involving:
  - a. Management or employees who have significant roles in the internal control.
  - b. Others where the fraud could have a material effect on the financial statements.
6. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
7. We have no knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators, or others.
8. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Plan's ability to record, process, summarize, and report financial data.
9. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
10. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
11. The following have been properly recorded and/or disclosed in the financial statements or supplemental schedules, as appropriate:



- a. Related-party transactions, including transactions with parties-in-interest, as defined in ERISA section 3(14) and regulations there under, including sales, purchases, loans, transfers, leasing arrangements and guarantees, and amounts receivable from or payable to related parties.
  - b. All significant estimates and material concentrations known to management which are to be disclosed in accordance with the Risk and Uncertainties Topic of the FASB Accounting Standards Codification. Significant estimates are estimates at the statement of net assets date that could change materially within the next year. Concentrations refer to nature and type of investments held by the Plan, or markets in which events could occur that would significantly disrupt normal finances within the next year.
  - c. A description of the Plan.
  - d. Amendments to the plan instrument.
  - c. Assets and liabilities measured at fair value in accordance with the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification.
12. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
13. There are no:
- a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
  - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the FASB Accounting Standards Codification.



- d. Nonexempt (prohibited) party in interest transactions. In that regard, the Plan has complied with the DOL's regulations concerning the timely remittance of participant's contributions to trusts containing assets for the Plan.
- e. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and lines of credit or similar arrangements.
- f. Agreements to repurchase assets previously sold.
- g. Assets pledged or encumbered.
- h. Amounts of contractual obligations, liens, or encumbrances on assets or security agreements in effect under the Uniform Commercial Code not included in the liabilities recorded on the books.
- i. Liabilities that are subordinated to any other actual or possible liabilities of the Plan.
- j. Lease obligations by the Plan.
- k. Concentrations of credit risk.
- l. Financial instruments with off-balance-sheet market or credit risk.
- m. Derivative financial instruments
- n. Guarantees, whether written or oral, under which the Plan is contingently liable to a bank or other lending institution.
- o. Assets held for investment.
- p. Participant loans or other receivables in default or considered to be uncollectible.
- q. Reportable transactions.



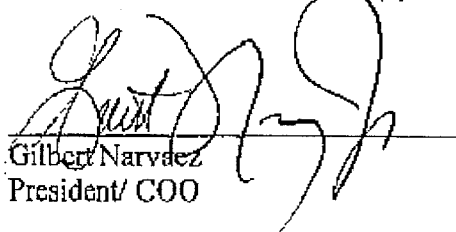
14. We are not aware of any pending or threatened litigation, claims, or assessments that are required to be accrued or disclosed in the financial statements in accordance with Contingencies Topic of the FASB Accounting Standards Codification, and neither we, nor the Plan sponsor, or others acting on behalf of the Plan, have consulted a lawyer concerning litigation, claims, or assessments affecting the Plan.
15. The Plan has satisfactory title to all owned assets.
16. We have complied with (a) all aspects of contractual agreements, including provisions of the Plan, that would have a material effect on the financial statements in the event of noncompliance, (b) the fidelity bonding requirements of ERISA, (c) all participant eligibility and coverage requirements of the Plan, ERISA and the Internal Revenue Code and (d) the filing requirements of appropriate agencies.
17. The Plan is qualified under the appropriate section of the Internal Revenue Code and intends to continue as a qualified Plan.
18. There is no present intention to terminate the Plan.
19. We have reviewed the user control considerations of the Independent Auditors Review of Control Policies and Procedures for Automatic Data Processing, Inc. Retirement Services as of February 16, 2010 for the year ended December 31, 2009 and we believe all applicable controls are in place.
20. The method and significant assumptions used to estimate the fair value of the financial instruments are as follows:

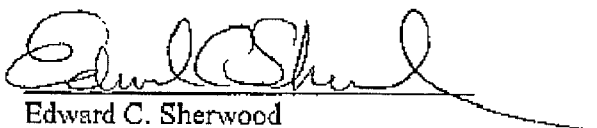
Investments are stated at fair value. Collective trust funds are valued based on the market value of the underlying securities. The fair value of the stable value investment contract is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations. Purchases and sales of securities are recorded on the trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.
21. Employer contributions to the Plan totaled \$16,117 for the year ended December 31, 2009. Employer contributions receivable totaled \$0 and \$4,484 as of December 31, 2009 and 2008, respectively.



22. No events or transactions have occurred subsequent to the date of the financial statements and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
23. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Falcon International Bank 401(k) Plan

  
Gilbert Narvaez  
President/ COO

  
Edward C. Sherwood  
Senior Vice President

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
AS OF: 12/31/2009

PAGE 1

Plan Name: FALCON INTERNATIONAL BANK 401(K) PLAN  
Plan Number: 001

Employer EIN: 74-2382841  
Run Date: 05/21/2010

| (a) (b) Identity of Issue, Borrower,<br>Lessor or Similar Party | (c) Description of Investment<br>(Maturity Date, Rate of Int, Collateral, Par or Maturity Value) | (d) Cost    | (e) Current<br>Value |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-------------|----------------------|
| SSGA INTERNATIONAL INDEX                                        | Common / Collective Trust                                                                        | 14,039.1728 | n/a                  |
| SSGA S&P 500 INDEX FUND                                         | Common / Collective Trust                                                                        | 4,141.0147  | n/a                  |
| SSGA RUSSELL SMALL CAP INDEX                                    | Common / Collective Trust                                                                        | 45.0583     | n/a                  |
| SSGA STABLE VALUE FUND                                          | Common / Collective Trust                                                                        | 48,835.4179 | n/a                  |
| INVESCO DEVELOPING MARKETS A                                    | Registered Investment Company                                                                    | 16,112.1363 | n/a                  |
| INVESCO REAL ESTATE - A                                         | Registered Investment Company                                                                    | 3,726.4924  | n/a                  |
| GS GROWTH & INCOME STRAT - A                                    | Registered Investment Company                                                                    | 5,596.7390  | n/a                  |
| T. ROWE PRICE RETIRE 2050 - R                                   | Registered Investment Company                                                                    | 408.4538    | n/a                  |
| PIMCO TOTAL RETURN FUND - A                                     | Registered Investment Company                                                                    | 23,817.5684 | n/a                  |
| ALLIANZ NFJ SMALL-CAP VALUE -A                                  | Registered Investment Company                                                                    | 191.9243    | n/a                  |
| BLACKROCK GLOBAL ALLOCATION A                                   | Registered Investment Company                                                                    | 14,237.6204 | n/a                  |
| BLACKROCK LARGE CAP VALUE - A                                   | Registered Investment Company                                                                    | 29,000.3446 | n/a                  |
| JANUS FORTY FUND - S                                            | Registered Investment Company                                                                    | 6,542.0693  | n/a                  |
| T. ROWE PRICE RETIREMENT 2020-R                                 | Registered Investment Company                                                                    | 251.4947    | n/a                  |
| T. ROWE PRICE RETIREMENT 2030-R                                 | Registered Investment Company                                                                    | 681.4876    | n/a                  |
| T. ROWE PRICE RETIREMENT 2040-R                                 | Registered Investment Company                                                                    | 513.6815    | n/a                  |
| FIDELITY ADVISOR LEV CO STK -T                                  | Registered Investment Company                                                                    | 55.9031     | n/a                  |
| T. ROWE PRICE RETIREMENT INC-R                                  | Registered Investment Company                                                                    | 13.4925     | n/a                  |
| T. ROWE PRICE RETIREMENT 2010-R                                 | Registered Investment Company                                                                    | 193.6057    | n/a                  |
| Participant Loans                                               | Interest Rates ( 5.00% to 8.25% )                                                                |             |                      |
|                                                                 | TOTAL                                                                                            |             | 3,084,713.80         |

NOTE: The following is specifically for Form 5500 reporting.  
The difference between Participant Loans on this Schedule and Participant Loans reported on Form 5500 Schedule H or I is the amount of DDLs. Loan amounts shown here include DDLs, while loan amounts reported on 5500 forms do not include DDLs.

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RUN DATE: 05/21/2010

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (ACQUIRED AND DISPOSED OF WITHIN YEAR)  
Period: 01/01/2009 through 12/31/2009

PAGE 1

Plan Name: FALCON INTERNATIONAL BANK 401(K) PLAN  
Plan Number: 001

Employer EIN: 74-2382841

Run Date: 05/21/2010

| (a) Identity of Issue,<br>Borrower, or Similar Party | (b) Description of Investment<br>(Maturity Date, Rate of Int, Collateral, Par or Maturity Value) | (c) Cost of<br>Acquisitions | (d) Proceeds of<br>Dispositions |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------|
|------------------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------|

NOTE: IN ACCORDANCE WITH SPECIFIC INSTRUCTIONS, ACQUISITIONS  
AND DISPOSITIONS OF CERTAIN TYPES OF ASSETS NEED NOT  
BE REPORTED. THESE INCLUDE FUNDS OF COMMON/COLLECTIVE  
TRUSTS AND REGISTERED INVESTMENT COMPANIES.