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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2006

Commission File Number 000-51297

FIRST METROPLEX CAPITAL, INC.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction of
incorporation or organization)

71-0919962
(I.R.S. Employer
Identification No.)

16000 Dallas Parkway, Suite 125, Dallas, Texas 75248
(Address of principal executive offices)

(972) 720-9000
(Issuer's telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the issuer's Common Stock as of July 31, 2006, was 1,680,150 shares.

FIRST METROPLEX CAPITAL, INC.

INDEX

	<u>PAGE</u>
PART I. FINANCIAL INFORMATION	3
ITEM 1. Financial Statements	3
ITEM 2. Management's Discussion and Analysis or Plan of Operation	15
ITEM 3. Controls and Procedures	30
PART II. OTHER INFORMATION	31
ITEM 1. Legal Proceedings	31
ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds	31
ITEM 3. Defaults Upon Senior Securities	31
ITEM 4. Submission of Matters to a Vote of Security Holders	31
ITEM 5. Other Information	31
ITEM 6. Exhibits	31

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

**FIRST METROPLEX CAPITAL, INC.
CONSOLIDATED BALANCE SHEETS**

	JUNE 30, 2006	DECEMBER 31, 2005
	<u>(Unaudited)</u>	
ASSETS		
Cash and due from banks	\$ 2,285,000	\$ 2,933,000
Federal funds sold	9,005,000	17,485,000
	<u>11,290,000</u>	<u>20,418,000</u>
Total cash and cash equivalents	11,290,000	20,418,000
Investments restricted	420,000	420,000
Loans, less allowance for credit losses of \$725,000 and \$400,000, respectively	46,375,000	25,789,000
Bank premises and equipment, net	1,338,000	1,100,000
Other assets	655,000	289,000
	<u>60,078,000</u>	<u>48,016,000</u>
TOTAL ASSETS	\$ 60,078,000	\$ 48,016,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Demand deposits		
Noninterest bearing	\$ 12,191,000	7,119,000
Interest bearing	21,041,000	16,390,000
Time deposits \$100,000 and over	10,298,000	8,216,000
Other time deposits	4,164,000	3,339,000
	<u>47,694,000</u>	<u>35,064,000</u>
Total deposits	47,694,000	35,064,000
Other liabilities	94,000	76,000
	<u>47,788,000</u>	<u>35,140,000</u>
Total liabilities	47,788,000	35,140,000
SHAREHOLDERS' EQUITY		
Common stock, \$0.01 par value		
10,000,000 shares authorized		
1,680,150 and 1,680,150 shares issued and outstanding, respectively	17,000	17,000
Additional paid-in capital	16,420,000	16,382,000
Retained deficit	(4,148,000)	(3,523,000)
	<u>12,289,000</u>	<u>12,876,000</u>
Total shareholders' equity	12,289,000	12,876,000
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 60,078,000	\$ 48,016,000

The Notes to Financial Statements are an integral part of these statements.

FIRST METROPLEX CAPITAL, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	3 MONTHS ENDED JUNE 30, 2006	3 MONTHS ENDED JUNE 30, 2005	6 MONTHS ENDED JUNE 30, 2006	6 MONTHS ENDED JUNE 30, 2005
INTEREST INCOME				
Interest and fees on loans	\$ 840,000	\$ 299,000	\$ 1,468,000	\$ 457,000
Restricted investments	6,000	6,000	13,000	13,000
Federal funds sold	<u>219,000</u>	<u>66,000</u>	<u>445,000</u>	<u>127,000</u>
Total interest income	1,065,000	371,000	1,926,000	597,000
INTEREST EXPENSE				
Deposits	<u>299,000</u>	<u>61,000</u>	<u>566,000</u>	<u>91,000</u>
Interest income, net	766,000	310,000	1,360,000	506,000
PROVISION FOR CREDIT LOSSES				
	<u>175,000</u>	<u>76,000</u>	<u>325,000</u>	<u>150,000</u>
Interest income after provision for credit losses	591,000	234,000	1,035,000	356,000
OTHER INCOME				
Service fees	<u>135,000</u>	<u>7,000</u>	<u>187,000</u>	<u>10,000</u>
OTHER EXPENSES				
Salaries and employee benefits	542,000	350,000	1,098,000	702,000
Occupancy expense	145,000	116,000	276,000	221,000
Professional fees	61,000	58,000	79,000	89,000
Other operating expenses	<u>240,000</u>	<u>172,000</u>	<u>394,000</u>	<u>281,000</u>
	<u>988,000</u>	<u>696,000</u>	<u>1,847,000</u>	<u>1,293,000</u>
NET LOSS	<u>\$ (262,000)</u>	<u>\$ (455,000)</u>	<u>\$ (625,000)</u>	<u>\$ (927,000)</u>
Net loss per weighted average share	<u>\$ (0.16)</u>	<u>\$ (0.27)</u>	<u>\$ (0.37)</u>	<u>\$ (0.55)</u>
Weighted average shares outstanding	<u>1,680,150</u>	<u>1,680,000</u>	<u>1,680,150</u>	<u>1,680,000</u>

The Notes to Financial Statements are an integral part of these statements.

FIRST METROPLEX CAPITAL, INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
SIX MONTHS ENDED JUNE 30, 2006
(Unaudited)

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Deficit</u>	<u>Accumulate Other Comprehensive Income</u>	<u>Total</u>
BALANCE, December 31, 2005	\$ 17,000	\$ 16,382,000	\$ (3,523,000)	\$ —	\$12,876,000
Comprehensive income					
Net loss - YTD			(625,000)		
Total comprehensive loss					(625,000)
Share based compensation		38,000			38,000
BALANCE, June 30, 2006	<u>\$ 17,000</u>	<u>\$ 16,420,000</u>	<u>\$ (4,148,000)</u>	<u>\$ —</u>	<u>\$12,289,000</u>

The Notes to Financial Statements are an integral part of these statements.

FIRST METROPLEX CAPITAL, INC.
STATEMENT OF CASH FLOWS
(Unaudited)

	SIX MONTHS ENDED JUNE 30, 2006	SIX MONTHS ENDED JUNE 30, 2006
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (625,000)	\$ (927,000)
Adjustments to reconcile net loss to net cash used in operating activities		
Provision for credit losses	325,000	150,000
Depreciation expense	120,000	92,000
Share based compensation	38,000	—
Changes in operating assets and liabilities:		
Other assets	(365,000)	111,000
Other liabilities	<u>18,000</u>	<u>33,000</u>
Net cash used in operating activities	(489,000)	(543,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in loans	(20,911,000)	(9,988,000)
Purchases of bank premises and equipment	<u>(358,000)</u>	<u>(84,000)</u>
Net cash used in investing activities	(21,269,000)	(10,072,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in demand deposits	9,723,000	6,969,000
Net change in time deposits	<u>2,907,000</u>	<u>2,934,000</u>
Net cash provided by financing activities	<u>12,630,000</u>	<u>9,903,000</u>
Net change in cash and cash equivalents	(9,128,000)	(712,000)
CASH AND CASH EQUIVALENTS, beginning of period	<u>20,418,000</u>	<u>12,408,000</u>
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 11,290,000</u>	<u>\$ 11,696,000</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	<u>\$ 557,000</u>	<u>\$ 89,000</u>
Income taxes paid	<u>\$ —</u>	<u>\$ —</u>

The Notes to Financial Statements are an integral part of these statements.

FIRST METROPLEX CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BASIS OF PRESENTATION

Organization and Nature of Operations

We prepared the consolidated financial statements following the requirements of the Securities and Exchange Commission (SEC) for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by accounting principles generally accepted in the United States of America (GAAP) can be condensed or omitted.

We made certain reclassifications to the 2005 consolidated financial statements to conform to the 2006 presentation. These reclassifications did not change the net loss. Revenues, expenses, assets and liabilities can vary during each quarter of the year. Therefore, the results and trends in these interim financial statements may not be representative of those for the full year.

We are responsible for the unaudited financial statements included in this document. The financial statements include all normal and recurring adjustments that are considered necessary for the fair presentation of our financial position and operating results.

The information included in this Quarterly Report on Form 10-QSB should be read in conjunction with the consolidated financial statements and accompanying notes included in First Metroplex Capital's Annual Report on Form 10-KSB for the year ended December 31, 2005.

Basic earnings per share is based on the weighted average number of shares outstanding during the three and six month periods ending June 30, 2006 and 2005. Diluted earnings per share have not been presented since the inclusion of potential common shares would be antidilutive.

NOTE 2. ADOPTION OF NEW ACCOUNTING POLICIES

On January 1, 2006, we adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 123R, *Share-Based Payment*, as supplemented by the interpretation provided by SEC Staff Accounting Bulletin (SAB) No. 107, issued in March 2005. (SFAS 123R replaced SFAS 123, *Stock-Based Compensation*, issued in 1995.) We have elected the modified prospective application transition method of adoption and, as such, prior period financial statements have not been restated. Under this method, the fair value of all stock options granted or modified after adoption must be recognized in the consolidated statement of income and total compensation cost related to nonvested awards not yet recognized, determined under the original provisions of SFAS 123, must also be recognized in the consolidated statement of income.

Prior to January 1, 2006, we accounted for stock options under Accounting Principle Board Opinion (APB) No. 25, *Accounting for Stock Issued to Employees*, an elective accounting policy permitted by SFAS 123. Under this standard, since the exercise price of our stock options granted is set equal to the market price on the date of the grant, we did not record any expense to the condensed consolidated statement of income related to stock options, unless certain original grant date terms were subsequently modified. However, as required, we disclosed, in the Notes to Consolidated Financial Statements, the pro forma expense impact of the stock option grants as if we had applied the fair-value-based recognition provisions of SFAS 123. The adoption of SFAS 123R primarily impacted our accounting for stock options (See Note 9, *Stock Options*).

In March, 2006 the FASB issued FASB No. 156 "Accounting for Servicing of Financial Assets - an amendment of FASB Statement No. 140." FASB No. 156 permits the Company to choose either the amortization method or fair value measurement method to measure servicing assets or liabilities. FASB No. 156 is effective January 1, 2007 and management does not expect its adoption to have a material impact on the Company's financial position, results of operations, or liquidity.

In July, 2006 the FASB issued Interpretation No. 48 which clarifies the “Accounting for Uncertainty in Income Taxes” in accordance with FASB Statement No. 109 “Accounting for Income Taxes.” FIN No. 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN No. 48 is effective for fiscal years beginning after December 15, 2006. The Company is reviewing the interpretation; however, it is anticipated that it will not have a material impact on the Company’s financial position, results of operation, or liquidity.

NOTE 3. LOANS

The components of loans at June 30, 2006 are summarized as follows:

Commercial	\$ 24,046,000
Consumer installment	1,558,000
Real estate	<u>21,629,000</u>
	47,233,000
Less allowance for loan losses	725,000
Less deferred loan fees	<u>133,000</u>
	<u>\$ 46,375,000</u>

The change in the allowance for credit losses is as follows:

	<u>Six Months Ended June 30,</u>		<u>Three Months Ended June 30,</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Balance at beginning of period	\$ 400,000	\$ 100,000	\$ 550,000	\$ 174,000
Provision charged to operations	325,000	150,000	175,000	76,000
Loans charged off	—	—	—	—
Recoveries of loans previously charged off	—	—	—	—
Balance at end of period	<u>\$ 725,000</u>	<u>\$ 250,000</u>	<u>\$ 725,000</u>	<u>\$ 250,000</u>

The components of loans at December 31, 2005 are summarized as follows:

Commercial	\$ 11,572,000
Consumer installment	753,000
Real estate	<u>13,961,000</u>
Total	26,286,000
Less allowance for loan losses	400,000
Less deferred loan fees	<u>97,000</u>
Total	<u>\$ 25,789,000</u>

At June 30, 2006, there were no loans which were contractually delinquent over ninety days that were continuing to accrue interest. In addition, there were two loans totaling \$79,000 considered impaired, which has been recognized in conformity with SFAS No. 114 and SFAS No. 118. No interest income on impaired loans was recognized for cash payments during the period ended June 30, 2006.

NOTE 4. SECURITIES

At June 30, 2006 and December 31, 2005, securities consisted of the following:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
Federal Reserve Bank Stock	\$ 420,000	\$ —	\$ —	\$ 420,000

NOTE 5. RELATED PARTIES

Certain Directors and Officers of the Bank have depository accounts with the Bank. None of those deposit accounts have terms more favorable than those available to any other depositor.

NOTE 6. BANK PREMISES AND EQUIPMENT

The original cost and related accumulated depreciation at June 30, 2006 and December 31, 2005 were as follows:

	June 30, 2006	December 31, 2005
Leasehold improvements	\$ 718,000	\$ 505,000
Furniture and equipment	961,000	816,000
	1,679,000	1,321,000
Less accumulated depreciation	341,000	221,000
	<u>\$ 1,338,000</u>	<u>\$ 1,100,000</u>

NOTE 7. DEPOSITS

Deposits at June 30, 2006 are summarized as follows:

	Amount	Percent
Noninterest bearing demand	\$ 12,191,000	26%
Interest bearing demand (NOW)	1,732,000	4%
Money market accounts	19,309,000	40%
Savings accounts	452,000	1%
Certificates of deposit, less than \$100,000	3,712,000	8%
Certificates of deposit, \$100,000 or greater	10,298,000	21%
	<u>\$ 47,694,000</u>	<u>100%</u>

Deposits at December 31, 2005 are summarized as follows:

Noninterest bearing demand	\$ 7,119,000	20%
Interest bearing demand (NOW)	1,145,000	3%
Money market accounts	15,245,000	44%
Savings accounts	249,000	1%
Certificates of deposit, less than \$100,000	3,090,000	9%
Certificates of deposit, \$100,000 or greater	8,216,000	23%
Total	<u>\$ 35,064,000</u>	<u>100%</u>

At June 30, 2006, the scheduled maturities of certificates of deposit were as follows:

2006	\$ 6,824,000
2007	4,533,000
2008	55,000
2009	55,000
2010	1,971,000
2011	572,000
Total	<u>\$ 14,010,000</u>

NOTE 8. INCOME TAXES

Management has provided a 100% valuation allowance for its net deferred tax asset due to uncertainty of realization during the carry forward period.

As of December 31, 2005, the Company had net tax operating loss carry forwards of approximately \$2,300,000 that will ultimately expire in 2025 if not used.

NOTE 9. STOCK OPTIONS

The shareholders of the Company approved the 2005 Stock Incentive Plan at the annual shareholder meeting held on June 2, 2005. The plan authorizes the granting of up to 260,000 shares to employees of the Company. The plan is designed to provide the Company with the flexibility to grant incentive stock options and non-qualified stock options to its executive and other officers. The purpose of the plan is to provide increased incentive for key employees to render services and to exert maximum effort for the success of the Company. The plan has a term of 10 years. The plan is administered by the Board of Directors. As of June 30, 2006 and December 31, 2005, a total of 184,500 options had been issued with an exercise price of \$10.00 per share. These options vest ratably each year through October 2009.

Effective January 1, 2006, the Company adopted SFAS 123R using the modified-prospective-transition method. Under this method, prior periods are not restated. Under this transition method, stock compensation cost recognized beginning January 1, 2006 includes: (a) compensation cost for all share-based payments granted prior to, but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS 123, and (b) compensation cost for all share-based payments granted on or subsequent to January 1, 2006, based on the grant-date fair value estimated in accordance with the provisions of SFAS 123R.

Prior to the effective date of SFAS 123R, the Company applied APB 25, and related interpretations for our stock option grants. APB 25 provides that the compensation expense relative to our stock options is measured based on the intrinsic value of the stock option at date of grant.

As a result of adopting SFAS 123R on January 1, 2006, our income before income taxes and net income for the three and six months ended June 30, 2006 is \$19,000 and \$38,000 lower respectively than if we had continued to account for stock-based compensation under APB 25.

There was no stock based compensation issued in the first six months of 2005. As a result, pro forma information to reflect the impact of stock based compensation for the first six months of 2005 is not presented.

The following is a summary of activity in the Company's stock option plan for 2006.

	<u>Number of Shares Underlying Options</u>	<u>Weighted Average Exercise Prices</u>
Outstanding at beginning of the year	184,500	\$ 10.00
Granted	—	—
Exercised	—	—
Expired forfeited	—	—
	<u>184,500</u>	<u>\$ 10.00</u>
Outstanding at end of period	184,500	\$ 10.00
Exercisable at end of period	36,900	\$ 10.00
Available for grant at end of period	75,500	\$ 10.00

The weighted average remaining contractual life of options outstanding at June 30, 2006 was 9.3 years. All outstanding options were granted with an exercise price of \$10.00

The weighted average value per option granted during 2005 was \$2.11. The fair value of options granted was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions dividend yield of 0% expected volatility of 10%, risk-free interest rate of 2% and an expected life of 9.3 years.

The following is a summary of the Company's nonvested options for 2006.

	<u>Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Nonvested at January 1, 2006	147,600	\$ 2.11
Granted	—	—
Vested	—	—
Forfeited	—	—
	<u>147,600</u>	<u>\$ 2.11</u>
Nonvested at June 30, 2006	147,600	\$ 2.11

As of June 30, 2006, there was approximately \$260,000 of total unrecognized compensation cost related to nonvested share based compensation arrangements to be recognized over the vesting period.

NOTE 10. STOCK WARRANTS

The Company had two stock warrant plans at June 30, 2006 and December 31, 2005.

Initial shareholders in the Company received warrants to purchase one share of common stock for every five shares of common stock purchased in the offering. A total of 336,000 warrants were issued. These warrants are exercisable at a price of \$12.50 per share at any time until November 2, 2007. During the three and six months ended June 30, 2006, no warrants were exercised. At June 30, 2006, 335,850 warrants were outstanding.

The Company's organizers advanced funds for organizational and other preopening expenses. As consideration for the advances the organizers received warrants to purchase one share of common stock for every \$20 advanced up to a limit of \$100,000. A total of 96,750 warrants were issued and are outstanding. These warrants are exercisable at a price of \$10.00 per share at any time until November 2, 2014. During the three and six months ended June 30, 2006, no warrants were exercised. There were no additional warrants issued during the three or six months ended June 30, 2006.

NOTE 11. COMMITMENTS AND CONTINGENCIES

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. These instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the accompanying balance sheets. The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instruments for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments. At June 30, 2006, the Company had commitments to extend credit of approximately \$10,799,000 and no standby letters of credit. At December 31, 2005, the Company had commitments to extend credit of approximately \$8,207,000 and no standby letters of credit.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

Employment Agreements

The Company and the Bank have entered into employment agreements with the three officers of the Bank. The agreements are for an initial three-year term and are automatically renewable for an additional three years unless either party elects not to renew.

The agreements provide for compensation and benefits including the issuance of options to acquire up to 140,000 shares of the Company's common stock at \$10 per share, exercisable within ten years from the date of grant. At June 30, 2006, these options were issued and outstanding under the stock option plan disclosed in Note 9.

The agreements further provide for termination payments in the event of a change in control, as defined in the employment agreements.

NOTE 12. REGULATORY MATTERS

The Company is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of the Company's assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Company's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulations to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of total and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined). Management believes, as of June 30, 2006 and December 31, 2005, that the Bank meets all capital adequacy requirements to which it is subject.

As of June 30, 2006 and December 31, 2005, the most recent notification from the Bank's regulators categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios as set forth in the table. There are no conditions or events since that notification that management believes have changed the institution's category.

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(000's)		(000's)		(000's)	
As of June 30, 2006						
Total Capital (to Risk Weighted Assets)	\$ 12,280	24.2%	4,052	>8.0%	\$ 5,066	>10.0%
Tier I Capital (to Risk Weighted Assets)	11,646	23.0%	2,026	>4.0%	3,039	>6.0%
Tier I Capital (to Average Assets)	11,646	19.3%	2,413	>4.0%	3,016	>5.0%

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(000's)		(000's)		(000's)	
As of December 21, 2005						
Total Capital (to Risk Weighted Assets)	\$ 12,584	39.9%	\$ 2,521	>8.0%	\$ 3,151	>10.0%
Tier I Capital (to Risk Weighted Assets)	12,190	38.6%	1,260	>4.0%	1,890	>6.0%
Tier I Capital (to Average Assets)	12,190	29.6%	1,647	>4.0%	2,059	>5.0%

NOTE 13. PARENT COMPANY CONDENSED FINANCIAL STATEMENTS

**FIRST METROPLEX CAPITAL, INC.
CONDENSED BALANCE SHEET**

	<u>June 30, 2006</u>	<u>December 31, 2005</u>
ASSETS		
Cash and due from banks	\$ 639,000	\$ 674,000
Fixed assets	5,000	11,000
Investment in subsidiary	<u>11,646,000</u>	<u>12,191,000</u>
Total Assets	<u>\$ 12,289,000</u>	<u>\$ 12,876,000</u>
LIABILITIES AND CAPITAL		
Capital	<u>12,289,000</u>	<u>12,876,000</u>
Total Liabilities and Capital	<u>\$ 12,289,000</u>	<u>\$ 12,876,000</u>

**FIRST METROPLEX CAPITAL, INC.
CONDENSED INCOME STATEMENT**

	<u>3 Months Ended June 30, 2006</u>	<u>3 Months Ended June 30, 2005</u>	<u>6 Months Ended June 30, 2006</u>	<u>6 Months Ended June 30, 2005</u>
Equity in loss from Bank	\$ (206,000)	\$ (369,000)	\$ (544,000)	\$ (824,000)
Noninterest expense:				
Stock related compensation	19,000		38,000	
Professional and administrative expenses	<u>37,000</u>	<u>86,000</u>	<u>43,000</u>	<u>103,000</u>
Total	<u>56,000</u>	<u>86,000</u>	<u>81,000</u>	<u>103,000</u>
Net Loss	<u>\$ (262,000)</u>	<u>\$ (455,000)</u>	<u>\$ (625,000)</u>	<u>\$ (927,000)</u>

FIRST METROPLEX CAPITAL, INC.
CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30,

	<u>2006</u>	<u>2005</u>
Cash Flows from Operating Activities:		
Net Loss	\$ (625,000)	\$ (927,000)
Adjustments to reconcile net loss		
To net cash provided by operating activities		
Equity in loss of Bank	544,000	824,000
Stock related compensation	38,000	—
Changes in operating assets and liabilities:		
Other assets	8,000	722,000
Net cash provided by operating activities	(35,000)	619,000
Cash Flows from Investing Activities		
Sales of equipment	—	—
Net cash provided by investing activities	—	—
Cash Flows from Financing Activities		
Net cash provided from financing activities	—	—
Net change in cash and cash equivalents	(35,000)	619,000
Cash and cash equivalents, beginning of year	674,000	96,000
Cash and cash equivalents, end of period	<u>\$ 639,000</u>	<u>\$ 715,000</u>
Supplemental Disclosure of Cash Flow Information		
Interest paid	\$ —	\$ —
Income tax paid	\$ —	\$ —

ITEM 2. Management's Discussion and Analysis or Plan of Operation

The following discussion and analysis presents our consolidated financial condition as of June 30, 2006 and December 31, 2005, and our consolidated results of operations for the three months and six months ended as of June 30, 2006 and 2005. The discussion should be read in conjunction with our financial statements and the notes related thereto which appear elsewhere in this Quarterly Report on Form 10-QSB.

Statements contained in this report that are not purely historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, including our expectations, intentions, beliefs, or strategies regarding the future. Any statements in this document about expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and are forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “would” and “outlook,” and similar expressions. Accordingly, these statements involve estimates, assumptions and uncertainties, which could cause actual results to differ materially from those expressed in them. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this document. All forward-looking statements concerning economic conditions, rates of growth, rates of income or values as may be included in this document are based on information available to us on the dates noted, and we assume no obligation to update any such forward-looking statements. It is important to note that our actual results may differ materially from those in such forward-looking statements due to fluctuations in interest rates, inflation, government regulations, economic conditions, customer disintermediation and competitive product and pricing pressures in the geographic and business areas in which we conduct operations, including our plans, objectives, expectations and intentions and other factors discussed under the section entitled “Risk Factors,” in our Annual Report on Form 10-KSB for the year ended December 31, 2005, including the following:

- we have limited operating history upon which to base an estimate of our future financial performance;
- we have incurred substantial start-up expenses associated with our organization and our recent public offering and expect to sustain losses or achieve minimal profitability during our initial years of operations;
- if we are unable to implement our business plan and strategies, we will be hampered in our ability to develop business and serve our customers, which, in turn, could have an adverse effect on our financial performance;
- if we fail to retain our key employees, growth and profitability could be adversely affected;
- we face substantial competition in our primary market area;
- the Bank’s current legally mandated lending limits are lower than those of our competitors, which may impair our ability to attract borrowers;
- an economic downturn, especially one affecting our primary service area, may have an adverse effect on our financial performance;
- changes in governmental economic and monetary policies, the Internal Revenue Code and banking and credit regulations, as well as other factors, will affect the demand for loans and the ability of the Bank to attract deposits;
- changes in the general level of interest rates and other economic factors can affect the Bank’s interest income by affecting the spread between interest-earning assets and interest-bearing liabilities;
- we have no current intentions of paying cash dividends;
- we are subject to significant government regulation and legislation that increases the cost of doing business and inhibits our ability to compete;
- we may not be able to raise additional capital on terms favorable to us; and
- our directors and executive officers beneficially own a significant portion of our outstanding common stock.

These factors and the risk factors referred to in our Annual Report on Form 10-KSB for the year ended December 31, 2005 could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us, and you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made and we do not undertake any obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Executive Overview

Introduction

We are a bank holding company headquartered in Dallas, Texas, offering a broad array of banking services through our wholly owned banking subsidiary, T Bank. Our principal markets include North Dallas, Addison, Plano, Frisco and the neighboring Texas communities. As of June 30, 2006, we had, on a consolidated basis, total assets of \$60.1 million, net loans of \$46.4 million, total deposits of \$47.7 million, and shareholders' equity of \$12.3 million. We currently operate through a main office located at 16000 Dallas Parkway, Dallas, Texas, and a branch office at 8100 North Dallas Parkway, Plano, Texas.

We were incorporated under the laws of the State of Texas on December 23, 2002 to organize and serve as the holding company for the Bank. In 2004, we completed an initial public offering of our common stock, issuing 1,680,000 shares at a price of \$10.00 per share. The net proceeds that we received from the offering, after deducting offering expenses, were approximately \$16.4 million. The Bank opened for business on November 2, 2004.

The following discussion focuses on our financial condition for the three and six months ended June 30, 2006 and 2005 and our results of operations as of June 30, 2006 and December 31, 2005.

Recent Developments

In February 2006, the Bank received approval from the Office of the Comptroller of the Currency (the "OCC") to establish trust powers. The Bank intends to offer traditional fiduciary services, such as serving as executor, trustee, agent, administrator or custodian for individuals, nonprofit organizations, employee benefit plans and corporations.

The Bank initially proposes to provide fiduciary services primarily to clients of Cain Watters & Associates, P.C. ("Cain Watters"). Cain Watters is a registered investment advisor and a public accounting firm that specializes in dental practice management, including financial planning. Cain Watters currently has over 1,100 clients in 49 states. Cain Watters and its certified financial planner-employees serve as registered investment advisors for their clients. Clients of Cain Watters currently have approximately \$2 billion in personal and corporate taxable and tax deferred investments. Subject to regulatory approval, the Bank has entered into an advisory services agreement with Cain Watters and III:I Financial Management Research, L.P. related to the Bank's proposed trust operations.

Key Performance Indicators at June 30, 2006

We believe the following were key indicators of our performance and results of operations through the second quarter of 2006:

- our total assets grew to \$60.1 million at the end of the second quarter of 2006, representing an increase of \$12.1 million, or 25%, from \$48 million at the end of 2005;

- our total loans grew to \$47.2 million at the end of the second quarter of 2006, representing an increase of \$20.9 million, or 79%, from \$26.3 million at the end of 2005;
- our total deposits grew to \$47.7 million at the end of the second quarter of 2006, representing an increase of \$12.6 million, or 35.9%, from \$35.1 million at the end of 2005;
- our total revenue grew to \$2,113,000 in the first two quarters of 2006 compared to \$607,000 in the first two quarters of 2005, representing an increase of \$1,506,000, or 248%; and
- our net loss was \$625,000 in the first two quarters of 2006, representing a decrease of \$302,000, or 33%, from a net loss of \$927,000 in the first two quarters of 2005.

These items, as well as other factors, are discussed in further detail throughout this “Management’s Discussion and Analysis or Plan of Operation” section of this Quarterly Report on Form 10-QSB.

Results of Operations

Net Interest Income and Net Interest Margin

Net interest income is the difference between interest income, principally from loan, lease and investment securities portfolios, and interest expense, principally on customer deposits and borrowings. Net interest income is our principal source of earnings. Changes in net interest income result from changes in volume, spread and margin. Volume refers to the average dollar level of interest-earning assets and interest-bearing liabilities. Spread refers to the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities. Margin refers to net interest income divided by average interest-earning assets, and is influenced by the level and relative mix of interest-earning assets and interest-bearing liabilities.

Net interest income increased by 168%, or \$854,000, to \$1,360,000 in the first two quarters of 2006 compared to \$506,000 for the first two quarters of 2005. Our net interest margin was 5.1% for the first two quarters of 2006 compared to 4.6% for the first two quarters of 2005. Net interest income for the three months ended June 30, 2006 was \$766,000 compared to \$310,000 for the three months ended June 30, 2005. These increases primarily resulted from higher loan volumes and higher deposit volumes.

Total interest income increased by \$1,329,000, or 222%, to \$1,926,000 for the six months ended June 30, 2006, as compared to \$597,000 for the six months ended June 30, 2005. Total interest income was \$1,065,000 for the three months ended June 30, 2006 compared to \$371,000 for the three months ended June 30, 2005. The average interest yield we earned for interest-earning assets for the six months ended June 30, 2006 was 7.3%, compared to 5.4% for the six months ended June 30, 2005. These increases are attributable primarily to the market rise in interest rates and to increased loan volumes resulting from our ongoing marketing efforts.

Total interest expense increased by \$475,000, or 790%, to \$566,000 in the first two quarters of 2006, compared to \$91,000 in the first two quarters of 2005. Total interest expense was \$299,000 for the three months ended June 30, 2006 compared to \$61,000 for the three months ended June 30, 2005. These increases resulted primarily from increased deposits resulting from our ongoing marketing efforts. The average interest rate we paid for interest-bearing deposits for the first two quarters of 2006 was 3.3%, compared to 2.2% for the first two quarters of 2005. These increases resulted primarily from the market rise in interest rates.

The following table sets forth our average balances of assets, liabilities and shareholders' equity, in addition to the major components of net interest income and our net interest margin for the six months ended June 30, 2006 and 2005 and the year ended December 31, 2005.

QUARTERLY FINANCIAL SUMMARY - UNAUDITED

Consolidated Daily Average Balances, Average Yields and Rates

(Dollars in thousands except per share data)

	For the six months ended June 30, 2006			For the six months ended June 30, 2005			For the year ended December 31, 2005		
	Average Balance	Revenue Expense	Yield Rate	Average Balance	Revenue Expense	Yield Rate	Average Balance	Revenue Expense	Yield Rate
Assets									
Interest-earning assets:									
Loans net of reserve	33,329	1,468	8.8%	11,765	457	7.7%	17,231	\$ 1,380	8.0%
Federal funds sold	19,343	445	4.6%	9,838	127	2.6%	10,857	347	3.2%
Securities	420	13	6.0%	420	13	6.0%	420	25	6.0%
Total earning assets	53,092	1,926	7.3%	22,023	597	5.4%	28,508	1,752	6.1%
Cash and other assets	3,729			2,002			2,390		
Total assets	<u>\$ 56,821</u>			<u>\$ 24,025</u>			<u>\$ 30,898</u>		
Liabilities and Stockholders' Equity									
NOW accounts	\$ 1,468	9	1.2%	\$ 840	\$ 2	0.5%	\$ 835	\$ 6	0.7%
Money market accounts	19,202	277	2.9%	4,801	53	2.2%	8,717	226	2.6%
Savings accounts	389	3	1.5%	230	2	1.7%	242	4	1.7%
Certificates of deposit	3,612	75	4.2%	633	9	2.8%	1,522	54	3.5%
Certificates of deposit \$100,000 or more	9,677	203	4.2%	1,720	25	2.9%	2,799	98	3.5%
Total interest bearing deposits	34,348	566	3.3%	8,224	91	2.2%	14,115	388	2.7%
Noninterest bearing deposits	10,546			2,566			3,875		
Other liabilities	84			25			52		
Stockholders equity	11,844			13,210			12,856		
Total liabilities and stockholders' equity	<u>\$ 56,822</u>			<u>\$ 24,025</u>			<u>\$ 30,898</u>		
Net interest income		1,360			506			1,364	
Net interest spread			4.0%			3.2%			3.4%
Net interest margin			5.1%			4.6%			4.8%
Provision for loan loss		325			150			300	
Non-interest income		187			10			31	
Non-interest expense		1847			1,293			2,676	
Income (loss) before income taxes		(625)			(927)			(1,581)	
Income taxes expense (benefit)		—			—			—	
Net loss		<u>\$ (625)</u>			<u>\$ (927)</u>			<u>\$ (1,581)</u>	
Earnings (Loss) per share		(0.37)			(0.55)			(0.94)	
Return on average equity		(10.6%)			(9.4%)			-73.8%	

Changes in volume and changes in interest rates affect our interest income and interest expense. The effect of these changes is typically displayed in a volume, mix and rate analysis table which compares the changes in income and expense over periods. Since the Company has a limited operating history, data to analyze these changes is not currently available.

Provision for Loan Losses

We determine a provision for loan losses that we consider sufficient to maintain an allowance to absorb probable losses inherent in our portfolio as of the balance sheet date. For additional information concerning this determination, see the section of this discussion and analysis captioned "Allowance for Loan Losses."

In the first two quarters of 2006, our provision for loan losses was \$325,000 compared to \$150,000 for the first two quarters of 2005. The provision for loan losses for the three months ended June 30, 2006 and 2005 was \$175,000 and \$76,000, respectively. The provision amounts are directly related to loan volumes. We did not have any charge-offs during the first two quarters of 2006.

Noninterest Income

As with the first two quarters of 2005, our noninterest income for the six months ended June 30, 2006 was attributable solely to service charges on depository accounts. Services charges for the six months ended June 30, 2006 totaled \$187,000, compared to \$10,000 for the six months ended June 30, 2005. Noninterest income for the three months ended June 30, 2006 was \$135,000 compared to \$7,000 for the three months ended June 30, 2005. The increase in income from service charges is attributable to the increase in our number of transactional and savings accounts and higher volume depository clients.

Noninterest Expense

The following tables set forth a summary of noninterest expenses for the Company for the periods indicated:

	Six months ended June 30, 2006	Six months ended June 30, 2005	Three months ended June 30, 2006	Three months ended June 30, 2005
Salaries and employee benefits	\$ 1,098,000	\$ 702,000	\$ 542,000	\$ 350,000
Net occupancy expense	276,000	221,000	145,000	116,000
Office expenses	66,000	49,000	36,000	33,000
Data processing	140,000	72,000	85,000	45,000
Professional fees	79,000	89,000	61,000	58,000
Advertising and promotional	42,000	34,000	27,000	11,000
Other expenses	146,000	126,000	92,000	84,000
Total noninterest expenses	<u>\$ 1,847,000</u>	<u>\$ 1,293,000</u>	<u>\$ 988,000</u>	<u>\$ 696,000</u>

Our total noninterest expense increased \$554,000 or 42.9% to \$1,847,000 for the six months ended June 30, 2006, as compared to \$1,293,000 for the six months ended June 30, 2005. Total noninterest expense for the three months ended June 30, 2006 was \$988,000 compared to \$696,000 for the three months ended June 30, 2005.

Salaries and employee benefits totaled \$1,098,000 for the six months ended June 30, 2006, as compared to \$702,000 for the six months ended June 30, 2005. Salaries and employee benefits for the three months ended June 30, 2006 was \$542,000 compared to \$350,000 for the three months ended June 30, 2005. We had 20 full-time equivalent employees as of June 30, 2006 compared to 14 full-time equivalent employees as of June 30, 2005. Also included in the three months and six months ended June 30, 2006 is \$19,000 and \$38,000, respectively, of expense related to stock options.

Occupancy and equipment expenses totaled \$276,000 for the six months ended June 30, 2006, as compared to \$221,000 for the six months ended June 30, 2005. These expenses are attributable primarily to lease expense and depreciation and amortization of leasehold improvements and furniture, fixtures and equipment. Net occupancy expense for the three months ended June 30, 2006 was \$145,000 compared to \$116,000 for the three months ended June 30, 2005. The Bank leased an additional 2,800 square feet at our Tollway Plaza location at market rates effective May 1, 2006 to house our Trust and Operation Departments.

Data processing expenses were \$140,000 for the six months ended June 30, 2006, compared to \$72,000 for the six months ended June 30, 2005. This increase is attributable to increased volume and new services. Data processing expenses for the three months ended June 30, 2006 were \$85,000 compared to \$45,000 for the three months ended June 30, 2005.

Income Taxes

No federal tax expense was recorded for the six months ended June 30, 2006, based upon net operating losses. Based upon the Company's limited operating history, the federal tax benefit of these losses has been fully reserved.

Financial Condition

Our total assets as of June 30, 2006 were \$60.1 million, compared to \$48.0 million as of December 31, 2005 and \$29.7 million as of June 30, 2005. The increase in our total assets was primarily the result of increases in deposits.

Our total deposits increased to \$47.7 million as of June 30, 2006, compared to \$35.1 million as of December 31, 2005 and \$16.1 million as of June 30, 2005. Our asset growth during the first two quarters of 2006 was primarily the result of our continued marketing efforts to attract new clients.

As of June 30, 2006, our shareholders' equity was \$12.3 million, compared to \$12.9 million as of December 31, 2005. The decrease was the result of operating losses in the first two quarters of 2006.

Short-Term Investments and Interest-bearing Deposits in Other Financial Institutions

At June 30, 2006, the Bank had \$9.0 million in federal funds sold. At December 31, 2005 the Bank had \$17.5 million federal funds sold. Federal funds sold allow the Bank to meet liquidity requirements and provide temporary holdings until the funds can be otherwise deployed or invested.

Investment Securities

Our investment portfolio primarily serves as a source of interest income and, secondarily, as a source of liquidity and a management tool for our interest rate sensitivity. We manage our investment portfolio according to a written investment policy established by our Board of Directors and implemented by our Investment/Asset-liability Committee.

At June 30, 2006 and December 31, 2005, the Bank's securities consisted solely of Federal Reserve Bank Stock, having an amortized cost of \$420,000, an estimate fair value of \$420,000, and a weighted average yield of 6.0%.

Loan Portfolio

Our primary source of income is interest on loans. The following table presents the composition of our loan portfolio by category as of the dates indicated:

	As of June 30, 2006	As of December 31, 2005
Real estate - mortgage	\$ 12,844,000	\$ 10,342,000
Commercial and industrial	24,046,000	11,572,000
Consumer	1,558,000	753,000
Real estate - construction	8,785,000	3,619,000
Other loans	0	0
Gross loans and leases	\$ 47,233,000	\$ 26,286,000
Less: Allowance for loan and lease losses	725,000	40,000
Less: Deferred loan fees	133,000	97,000
Loans, net	<u>\$ 46,375,000</u>	<u>\$ 25,789,000</u>

As of June 30, 2006 and December 31, 2005, our total loans were \$47.2 million and \$26.3 million, respectively. The increase in our loan volume during the first half of 2006 resulted from the continued growth of our operations. Our total net loans as a percentage of total assets were to 77% as of June 30, 2006 compared to 53% as of December 31, 2005.

Our commercial loan portfolio is comprised of lines of credit for working capital and term loans to finance equipment and other business assets. Our lines of credit typically are limited to a percentage of the value of the assets securing the line. Lines of credit and term loans typically are reviewed annually and are supported by accounts receivable, inventory, equipment and other assets of our client's businesses. At June 30, 2006 and December 31, 2005, commercial loans totaled \$24.0 million and \$11.6 million, approximately 51% and 44% of our total funded loans, respectively.

Our consumer loan portfolio consists of personal lines of credit and loans to acquire personal assets such as automobiles and boats. Our lines of credit generally have terms of one year and our term loans generally have terms of three to five years. Our lines of credit typically have floating rates. At June 30, 2006 and December 31, 2005, consumer loans totaled \$1,558,000 and \$753,000, approximately 3% and 3% of our total funded loans, respectively.

Our real estate loan portfolio is comprised of construction loans and short term mortgage loans. Construction loans consist primarily of single-family residential properties, have a term of less than one year and have floating rates and commitment fees. We typically make construction loans to builders that have an established record of successful project completion and loan repayment. Short term mortgage loans typically are secured by commercial properties occupied by the borrower, have terms of three to ten years with both fixed and floating rates. At June 30, 2006 and December 31, 2005, real estate loans totaled \$21.6 million and \$13.9 million, approximately 46% and 55% of our total loans, respectively.

Loan concentrations are considered to exist when there are amounts loaned to multiple borrowers engaged in similar activities that would cause them to be similarly impacted by economic or other conditions. At June 30, 2006, our commercial loan portfolio included \$20 million of loans, approximately 42% of our total funded loans, to dental professionals. We believe that these loans are well secured to credit worthy borrowers and are diversified geographically. Even as new loans are generated and the Bank continues to grow, the percentage of the total loan portfolio consisting of the foregoing concentration may remain constant thereby continuing the risk associated with industry concentration.

Management may renew loans at maturity when requested by a customer whose financial strength appears to support such a renewal or when such a renewal appears to be in the best interest of the Bank. The Bank requires payment of accrued interest in such instances and may adjust the rate of interest, require a principal reduction, or modify other terms of the loan at the time of renewal.

Our loan terms vary according to loan type. The following table shows the maturity distribution of our loans as of June 30, 2006:

	As of June 30, 2006					
	Over 1 Year through 5 Years			Over 5 Years		
	One Year or Less	Fixed Rate	Floating or Adjustable Rate	Fixed Rate	Floating or Adjustable Rate	Total
Real estate — construction	\$ 3,773,000	\$ 5,012,000	\$ 0	\$ 0	\$ 0	\$ 8,785,000
Real estate — secured	4,155,000	7,085,000	0	1,604,000	0	12,844,000
Commercial and industrial	6,830,000	8,660,000	1,345,000	7,211,000	0	24,046,000
Consumer	1,065,000	493,000	0	0	0	1,558,000
Total	\$ 15,823,000	\$ 21,250,000	\$ 1,345,000	\$ 8,815,000	\$ 0	\$ 47,233,000

Nonperforming Loans and Assets

Nonperforming assets consist of loans on nonaccrual status, loans 90 days or more past due and still accruing interest, loans that have been restructured resulting in a reduction or deferral of interest or principal, OREO, and other repossessed assets. As of June 30, 2006, we had nonperforming assets of \$30,000 compared to \$96,000 at December 31, 2005.

A potential problem loan is defined as a loan where information about possible credit problems of the borrower is known, causing management to have serious doubts as to the ability of the borrower to comply with the present loan payment terms and which may result in the inclusion of such loan in one of the nonperforming asset categories. We maintain an internally classified loan list that helps management assess the overall quality of the loan portfolio and the adequacy of the allowance for loan losses. Loans classified as “special mention” are those that contain a weakness that, if left unattended, could develop into a problem affecting the ultimate collectibility of the loan. Loans classified as “substandard” are those loans with clear and defined weaknesses such as highly leveraged positions, unfavorable financial ratios, uncertain repayment resources or poor financial condition, which may jeopardize recoverability of the loan. Loans classified as “doubtful” are those loans that have characteristics similar to substandard loans, but also have an increased risk that loss may occur or at least a portion of the loan may require a charge-off if liquidated at present. Although loans classified as substandard do not duplicate loans classified as doubtful, both substandard and doubtful loans may include some loans that are past due at least 90 days, are on nonaccrual status or have been restructured. Loans classified as “loss” are those loans that are in the process of being charged-off. The Bank had two loans totaling \$79,000 classified in these categories at June 30, 2006 and loans totaling \$96,000 in these categories at December 31, 2005.

Allowance for Loan Losses

Implicit in our lending activities is the fact that loan losses will be experienced and that the risk of loss will vary with the type of loan being made and the creditworthiness of the borrower over the term of the loan. To reflect the currently perceived risk of loss associated with our loan portfolio, additions are made to our allowance for loan losses in the form of direct charges against income so that our allowance is available to absorb possible loan losses. The factors that influence the allowance amount include, among others, the remaining collateral and/or financial condition of the borrowers, historical loan loss, changes in the size and composition of the loan portfolio, and general economic conditions.

The amount of the allowance equals the cumulative total of the provisions made from time to time, reduced by loan charge-offs and increased by recoveries of loans previously charged-off. Until management has adequate historical data upon which to base the estimate of the allowance for loan losses, a balance of approximately 1.5% of the outstanding principal will be used unless additional information regarding the ability of the borrower to repay the loan, current economic conditions or other pertinent factors indicate a different allowance is needed. Thus, our allowance was \$725,000 and \$400,000 as of June 30, 2006 and December 31, 2005, respectively.

Credit and loan decisions are made by management and the Board of Directors in conformity with loan policies established by the Board. The Bank's practice is to charge-off any loan or portion of a loan when the loan is determined by management to be uncollectible due to the borrower's failure to meet repayment terms, the borrower's deteriorating or deteriorated financial condition, the depreciation of the underlying collateral, the loan's classification as a loss by regulatory examiners, or other reasons. During the year ended December 31, 2005 and the first two quarters of 2006, we did not incur any charge-offs.

The following table sets forth the specific allocation of the allowance for the periods indicated and the percentage of allocated possible loan losses in each category to total gross loans. An allocation for a loan classification is only for internal analysis of the adequacy of the allowance and is not an indication of expected or anticipated losses.

	As of June 30, 2006		As of December 31, 2005	
	Amt.	Loan Category to Gross Loans	Amt.	Loan Category to Gross Loans
Allocated:				
Real estate - construction	\$ 132,000	18%	\$ 57,000	14%
Real estate - secured	193,000	27	143,000	36
Commercial and industrial	377,000	52	189,000	47
Consumers	23,000	3	11,000	3
Total allowance for loan and lease losses	\$ 725,000	100%	\$ 400,000	100%

Nonearning Assets

Nonearning assets consist of cash and due from banks, bank premises and equipment and other assets. Cash and due from banks totaled \$2,285,000 at June 30, 2006 and \$2,933,000 at December 31, 2005. Premises, leasehold improvements and equipment, net of accumulated depreciation and amortization, totaled \$1,338,000 at June 30, 2006 and \$1,100,000 at December 31, 2005. Effective May 1, 2006, the Bank leased an additional 2,800 square feet at our Tollway Plaza location at market rates to house our Trust and Operation Departments. Other assets, consisting of accrued interest receivable, prepaid expenses and other receivables, were \$655,000 at June 30, 2006 and \$289,000 at December 31, 2005.

Deposits

Deposits are our primary source of funds. The following table sets forth, for the periods indicated, the distribution of our average deposit account balances and average cost of funds on each category of deposits:

(000's)	For the six months ended June 30, 2006			For the six months ended June 30, 2005			For the year ended December 31, 2005		
	Average Balance	Percent of Deposits	Rate	Average Balance	Percent of Deposits	Rate	Average Balance	Percent of Deposits	Rate
Noninterest bearing deposits	\$ 10,546	23.5%	0.0%	\$ 2,566	21.1%	0.0%	\$ 3,875	21.5%	0.0%
NOW accounts	1,468	3.3%	1.2%	840	10.5%	0.5%	835	4.6%	0.7%
Money market accounts	19,202	42.6%	2.9%	4,801	43.9%	2.2%	8,717	48.5%	2.6%
Savings accounts	389	0.9%	1.5%	230	2.9%	1.7%	242	1.3%	1.4%
Certificates of deposit	3,612	8.1%	4.2%	633	5.6%	2.8%	1,523	8.5%	3.5%
Certificates of deposit \$100,000 or more	9,677	21.6%	4.2%	1,720	15.9%	2.9%	2,799	15.6%	3.5%
Total interest bearing deposits	<u>\$ 44,894</u>	<u>100.0%</u>	2.5%	<u>\$ 10,790</u>	<u>100.0%</u>	1.69%	<u>\$ 17,991</u>	<u>100.0%</u>	2.2%

Total deposits at June 30, 2006 and December 31, 2005 were \$47.7 million and \$35.1 million respectively, representing an increase of \$12.6 million, or 36%, during the six months ended June 30, 2006. The Bank is constantly searching for ways to attract additional deposits.

The following table sets forth the amount and maturities of the time deposits of \$100,000 or more as of the periods indicated:

	June 30, 2006	December 31, 2005
Three months or less	\$ 4,177,000	\$ 340,000
Over three months through six months	1,427,000	4,524,000
Over six months through 12 months	2,714,000	1,809,000
Over 12 months	1,980,000	1,543,000
Total	<u>\$ 10,298,000</u>	<u>\$ 8,216,000</u>

Return on Equity and Assets

The following table sets forth certain information regarding the Company's return on equity and assets for the periods indicated:

	Six Months Ended June 30, 2006	Year ended December 31, 2005
Return on average assets	(2.2%)	(4.6%)
Return on average equity	(10.0%)	(11.2%)
Dividend payout ratio	0.0%	0.0%
Equity to assets ratio	20.5%	41.6%

Off-Balance Sheet Arrangements

Neither the Company nor the Bank has any material off-balance sheet arrangements other than the Bank's commitments to extend credit.

Borrowings

The Company has access to a variety of borrowing sources including federal funds purchased. At June 30, 2006 and December 31, 2005, the Company had outstanding loan origination commitments and unused commercial and retail lines of credit of \$10,799,000 and \$8,207,000, respectively, and no standby letters of credit. Management believes the Bank has sufficient funds available to meet current origination and other lending commitments. Certificates of deposit that are scheduled to mature within one year totaled \$10,646,000 at June 30, 2006 and \$9,249,000 at December 31, 2005.

The following table summarizes the Bank's significant contractual obligations and other potential funding needs at June 30, 2006:

	As of June 30, 2006			
	Less than One Year	One Year to Three Years	Over Three Years to Five Years	Over Five Years
Time deposits	\$ 10,646,000	\$ 821,000	\$ 2,543,000	\$ 0
Operating leases	196,000	433,000	458,000	431,000
Total	<u>\$ 10,842,000</u>	<u>\$ 1,254,000</u>	<u>\$ 3,001,000</u>	<u>\$ 431,000</u>

Capital Resources and Capital Adequacy Requirements

The risk-based capital regulations established and administered by the banking regulatory agencies discussed previously are applicable to the Bank. Risk-based capital guidelines are designed to make regulatory capital requirements more sensitive to differences in risk profiles among banks, to account for off-balance sheet exposure, and to minimize disincentives for holding liquid assets. Under the regulations, assets and off-balance sheet items are assigned to broad risk categories, each with appropriate weights. The resulting capital ratios represent capital as a percentage of total risk weighted assets and off-balance sheet items. Under the prompt corrective action regulations, to be adequately capitalized a bank must maintain minimum ratios of total capital to risk-weighted assets of 8.00%, Tier 1 capital to risk-weighted assets of 4.00%, and Tier 1 capital to total assets of 4.00%. Failure to meet these capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the Bank's financial statements.

As of June 30, 2006, the Bank was categorized as well-capitalized. A well-capitalized institution must maintain a minimum ratio of total capital to risk-weighted assets of at least 10.00%, a minimum ratio of Tier 1 capital to risk weighted assets of at least 6.00%, and a minimum ratio of Tier 1 capital to total assets of at least 5.00% and must not be subject to any written order, agreement, or directive requiring it to meet or maintain a specific capital level.

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Problems	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	<000's>		<000's>		<000's>	
As of June 30, 2006						
Total Capital (to risk-weighted assets)	\$ 12,280	24.2%	\$ 4,052	>8%	\$ 5,066	>10%
Tier 1 capital (to risk-weighted assets)	11,646	23.0%	2,026	>4%	3,039	>6%
Tier 1 capital (to average assets)	11,646	19.3%	2,413	>4%	3,016	>5%
As of December 31, 2005						
Total Capital (to risk-weighted assets)	\$ 12,584	39.9%	2,521	>8%	3,151	>10%
Tier 1 capital (to risk-weighted assets)	12,190	38.6%	1,260	>4%	1,890	>6%
Tier 1 capital (to average assets)	12,190	29.6%	1,647	>4%	2,059	>5%

Liquidity Management

At June 30, 2006 the Company (excluding the Bank) had approximately \$638,000 in remaining cash proceeds from the initial public offering. These funds can be used for Company operations, investment and for later infusion into the Bank and other corporate activities. The primary source of liquidity for the Company will be dividends paid by the Bank. The Bank is currently restricted from paying dividends without regulatory approval which will not be granted until the accumulated deficit has been eliminated.

The Bank's liquidity is monitored by its staff, the Investment/Asset-Liability Committee and the Board of Directors, who will review historical funding requirements, current liquidity position, sources and stability of funding, marketability of assets, options for attracting additional funds, and anticipated future funding needs, including the level of unfunded commitments.

The Bank's primary sources of funds are retail and commercial deposits, loan and securities repayments, other short-term borrowings, and other funds provided by operations. While scheduled loan repayments and maturing investments are relatively predictable, deposit flows and early loan prepayments are more influenced by interest rates, general economic conditions, and competition. The Bank maintains investments in liquid assets based upon management's assessment of (1) the need for funds, (2) expected deposit flows, (3) yields available on short-term liquid assets, and (4) objectives of the asset/liability management program. We anticipate eliminating the need for borrowed funds upon infusion of additional cash and cash equivalents.

As loan demand increases, greater pressure will be exerted on the Bank's liquidity. However, it is our intention to maintain a conservative loan to deposit ratio in the range of 70% over time. Given this goal, we will not aggressively pursue lending opportunities if sufficient funding sources (*i.e.*, deposits, Fed Funds, etc.) are not available, nor will we seek to attract transient volatile, non-local deposits with above market interest rates. As of June 30, 2006, the loan to deposit ratio was 99%.

The Bank had cash and cash equivalents of \$11.3 million, or 18.8% of total Bank assets, at June 30, 2006. We believe that the Bank has adequate liquidity to meet anticipated future funding needs.

The Bank is subject to various regulatory capital requirements administered by federal and state banking agencies, which could affect its ability to pay dividends to the Company. Failure to meet minimum capital requirements can initiate certain mandatory and discretionary actions by regulators that, if undertaken, could have a direct material adverse effect on our financial statements. The minimum ratios required for the Bank to be considered "well capitalized" for regulatory purposes, and therefore eligible to consider the payment of dividends to the Company, will be 10% total capital to risk weighted assets, 6% tier 1 capital to risk weighted assets and 5% tier 1 capital to average assets. At June 30, 2006, the Bank was considered "well capitalized" by regulatory standards.

Quantitative and Qualitative Disclosure About Market Risks

Interest rate risk is the most significant market risk affecting us. Other types of market risk, such as foreign currency risk and commodity price risk, do not arise in the normal course of our business activities. Interest rate risk can be defined as the exposure to a movement in interest rates that could have an adverse effect on our net interest income or the market value of our financial instruments. The ongoing monitoring and management of this risk is an important component of our asset and liability management process, which is governed by policies established by the Company's Board of Directors and carried out by the Bank's Investment/Asset-liability Committee. The Investment/Asset-liability Committee's objectives are to manage our exposure to interest rate risk over both the one year planning cycle and the longer term strategic horizon and, at the same time, to provide a stable and steadily increasing flow of net interest income.

Our primary measurement of interest rate risk is earnings at risk, which is determined through computerized simulation modeling. The primary simulation model assumes a static balance sheet, using the balances, rates, maturities and repricing characteristics of all of the Bank's existing assets and liabilities. Net interest income is computed by the model assuming market rates remaining unchanged and compares those results to other interest rate scenarios with changes in the magnitude, timing and relationship between various interest rates. At June 30, 2006, we modeled rising ramp and declining interest rate simulations in 100 basis point increments over a 12-month period. The impact of imbedded options in such products as callable and mortgage-backed securities, real estate mortgage loans and callable borrowings were considered. Changes in net interest income in the rising and declining rate scenarios are then measured against the net interest income in the rates unchanged scenario. The Investment/Asset-liability Committee utilizes the results of the model to quantify the estimated exposure of net interest income to sustained interest rate changes.

In the June 30, 2006 simulation, our model indicated an exposure in the level of net interest income to rising rates for a 12-month period. The hypothetical rate scenarios consider an up or down change of 100, 200, 300 and 400 basis points during a 12-month period. At June 30, 2006, the net interest income at risk for year one in the 100 basis point falling rate scenario was calculated at \$159,000, or 4.6% lower than the net interest income in the rates unchanged scenario, and \$322,000, or 9.3%, lower than the net interest income in the rates unchanged scenario at the June 30, 2006 simulation with a 200 basis point decrease. These exposures are well within our policy guidelines of 20%. At June 30, 2006, the net interest income for year one in the 100 basis point rising rate scenario was calculated to be \$57,000, or 1.6%, higher than the net interest income in the rates unchanged scenario, and \$108,000, or 3.1%, higher than the net interest income in the rate unchanged scenario at the June 30, 2006 simulation with a 200 basis point increase. Computation of prospective effects of hypothetical interest rate changes are based on numerous assumptions, including relative levels of market interest rates, loan and security prepayments, deposit run-offs and pricing and reinvestment strategies and should not be relied upon as indicative of actual results. Further, the computations do not contemplate any actions we may take in response to changes in interest rates. We cannot assure you that our actual net interest income would increase or decrease by the amounts computed by the simulations. The following table indicates the estimated impact on net interest income under various interest rate scenarios as of June 30, 2006:

**Change in Future Net Interest Income
At June 30, 2006**

	Dollar Change	Percentage Change	
+200 basis points over one year	108,000	3.1	%
+100 basis points over one year	57,000	1.6	%
—100 basis points over one year	(159,000)	(4.6)	%
—200 basis points over one year	(322,000)	(9.3)	%

We also monitor the repricing terms of our assets and liabilities through gap matrix reports for the rates in unchanged, rising and falling interest rate scenarios. The reports illustrate, at designated time frames, the dollar amount of assets and liabilities maturing or repricing.

The following table sets forth, on a stand-alone basis, the Bank's amounts of interest-earning assets, interest-bearing liabilities and the nominal amount of interest rate swaps outstanding at June 30, 2006, which we anticipate, based upon certain assumptions, to reprice or mature in each of the future time periods shown. The projected repricing of assets and liabilities anticipates prepayments and scheduled rate adjustments, as well as contractual maturities under an interest rate unchanged scenario within the selected time intervals. While we believe such assumptions are reasonable, we cannot assure you that assumed repricing rates will approximate our actual future deposit activity.

**As of June 30, 2006
Volumes Subject to Repricing Within**

	0-1 Days	2-90 Days	91-365 Days	1-3 Years	Over 3 Years	Non- Interest Sensitive	Total
Assets: <000's>							
Short-term investments and federal funds sold	\$ 9,005	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,005
Investment securities	0	0	0	0	420	0	420
Loans	17,815	4,853	9,350	6,762	8,422	30	47,233
Fixed and other assets	0	0	0	0	0	3,421	3,420
Total Assets	\$ 26,820	\$ 4,853	\$ 9,350	\$ 6,762	\$ 8,842	\$ 3,451	\$ 60,078
Liabilities and Shareholders' Equity:							
Non-interest-bearing, interest-bearing checking, savings and money market accounts	8,554	0	0	12,940	0	12,191	33,685
Certificates of deposit	0	4,674	5,972	821	2,543	0	14,010
Borrowed funds	0	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	94	94
Shareholders' equity	0	0	0	0	0	12,289	12,289
Total liabilities and shareholders' equity	8,554	4,674	5,972	13,761	2,543	24,524	60,078
Period gap	18,266	179	3,378	(6,999)	6,299		
Cumulative gap	18,266	18,445	21,823	14,824	21,123		
Period gap to total assets	30%	0%	6%	(12%)	11%		
Cumulative gap to total assets	30%	31%	36%	25%	35%		

Certain shortcomings are inherent in the method of analysis presented in the gap table. For example, although certain assets and liabilities may have similar maturities or periods of repricing, they may react in different degrees to changes in market interest rates. Additionally, certain assets, such as adjustable-rate loans, have features that restrict changes in interest rates, both on a short-term basis and over the life of the asset. More importantly, changes in interest rates, prepayments and early withdrawal levels may deviate significantly from those assumed in the calculations in the table. As a result of these shortcomings, we focus more on earnings at risk simulation modeling than on gap analysis. Even though the gap analysis reflects a ratio of cumulative gap to total assets within acceptable limits, the earnings at risk simulation modeling is considered by management to be more informative in forecasting future income at risk.

Finally, we also monitor core funding utilization in each interest rate scenario as well as market value of equity. These measures are used to evaluate long-term interest rate risk beyond the two-year planning horizon.

Aggregate Contractual Obligations

The following table represents our on and off-balance sheet aggregate contractual obligations, other than deposit liabilities, to make future payments to third parties as of the date specified:

	As of June 30, 2006			
	Less than One Year	One Year to Three Years	Over Three Years to Five Years	Over Five Years
Operating Leases	\$ 196,000	\$ 433,000	\$ 458,000	\$ 431,000
Total	\$ 196,000	\$ 433,000	\$ 458,000	\$ 431,000

ITEM 3. Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-QSB for the quarter ended June 30, 2006, we carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our “disclosure controls and procedures,” as such term is defined under Exchange Act Rules 13a-15(e) and 15d-15(e).

Based on this evaluation, our chief executive officer and chief financial officer concluded that, as of the end of the fiscal quarter covered by this report, such disclosure controls and procedures were reasonably designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is: (a) recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and (b) accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal controls over financial reporting during the quarter ended June 30, 2006 that materially affected, or were reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

There are no material pending legal proceedings to which the Company or the Bank is a party or to which any of our properties are subject; nor are there material proceedings known to the Company, in which any director, officer or affiliate or any principal shareholder is a party or has an interest adverse to the Company or the Bank.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Submission of Matters to a Vote of Security Holders

None.

ITEM 5. Other Information

None.

ITEM 6. Exhibits

Exhibit Number	Description of Exhibit
31.1	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.
32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIRST METROPLEX CAPITAL, INC.

Date: August 14, 2006

By: /s/ Patrick G. Adams

Patrick G. Adams

President and Chief Executive Officer

Filename: v049945_ex31-1.htm
Type: EX-31.1
Comment/Description:
(this header is not part of the document)

Exhibit 31.1

RULE 13a-14(a) CERTIFICATION
FIRST METROPLEX CAPITAL, INC.
a Texas corporation

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Patrick G. Adams, Chief Executive Officer of First Metroplex Capital, Inc., a Texas corporation, do hereby certify that:

- (1) I have reviewed this Quarterly Report on Form 10-QSB of First Metroplex Capital, Inc. for the quarter ended June 30, 2006;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [Reserved];
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the periods covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 14, 2006

By: /s/ Patrick G. Adams
Patrick G. Adams
Chief Executive Officer

Filename: v049945_ex31-2.htm
Type: EX-31.2
Comment/Description:
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Exhibit 31.2

RULE 13a-14(a) CERTIFICATION
FIRST METROPLEX CAPITAL, INC.
a Texas corporation

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Sue Higgs, Chief Financial Officer of First Metroplex Capital, Inc., a Texas corporation, do hereby certify that:

- (1) I have reviewed this Quarterly Report on Form 10-QSB of First Metroplex Capital, Inc. for the quarter ended June 30, 2006;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [Reserved];
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the periods covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 14, 2006

By: /s/ Sue Higgs
Sue Higgs
Chief Financial Officer

Filename: v049945_ex32-1.htm
Type: EX-32
Comment/Description:
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Exhibit 32

SECTION 906 CERTIFICATION

In connection with the Quarterly Report on Form 10-QSB of First Metroplex Capital, Inc. (the "Company") for the quarterly period ended June 30, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned hereby certifies, in accordance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

FIRST METROPLEX CAPITAL, INC.

Dated: August 14, 2006

By: /s/ Patrick G. Adams
Patrick G. Adams
Chief Executive Officer

Dated: August 14, 2006

By: /s/ Sue Higgs
Sue Higgs
Chief Financial Officer

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 ("Section 906"), or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to First Metroplex Capital, Inc. and will be retained by First Metroplex Capital, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.