

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-51992

LIBERTY BANCORP, INC.

(Exact name of registrant as specified in its charter)

Missouri

(State or other jurisdiction of incorporation or organization)

20-4447023

(I.R.S. Employer Identification No.)

16 West Franklin Street, Liberty, Missouri

(Address of principal executive offices)

64068

(Zip Code)

Registrant's telephone number, including area code (816) 781-4822

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for 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 large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer Accelerated filer Non-accelerated filer (Do not check if a smaller reporting company.) Smaller reporting company

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding February 10, 2009
Common Stock, par value \$0.01 per share	3,749,210

LIBERTY BANCORP, INC.

FORM 10-Q

FOR THE QUARTER ENDED DECEMBER 31, 2008

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LIBERTY BANCORP, INC.

Part I. FINANCIAL INFORMATION**Item 1. Financial Statements****Consolidated Balance Sheets**

(Unaudited)

Assets	December 31, 2008	September 30, 2008
Cash and due from banks	\$ 7,580,792	5,274,603
Federal funds sold	7,571,000	2,810,000
Total cash and cash equivalents	15,151,792	8,084,603
Securities available for sale- taxable, at market value (amortized cost of \$18,681,446 and \$13,966,593, respectively)	19,469,622	14,374,559
Securities available for sale - non-taxable, at market value (amortized cost of \$12,021,308 and \$11,714,464, respectively)	12,042,252	11,678,861
Mortgage-backed securities - available for sale, at market value (amortized cost of \$14,339,311 and \$14,007,011, respectively)	14,414,479	13,989,151
Stock in Federal Home Loan Bank of Des Moines	3,910,100	3,576,300
Loans receivable, net of allowance for loan losses of \$2,685,094 and \$2,633,298, respectively	286,968,434	256,713,257
Loans held for sale	1,451,527	877,246
Premises and equipment, net	12,664,784	9,790,337
Bank-owned life insurance (BOLI)	8,648,108	8,538,528
Foreclosed real estate, net	7,719,133	4,936,355
Accrued interest receivable	1,899,597	1,640,478
Goodwill	1,180,347	-
Core deposit intangible	1,021,334	-
Other assets	1,168,677	1,985,219
Total assets	\$ 387,710,186	336,184,894
Liabilities and Stockholders' Equity		
Deposits	\$ 266,471,913	219,763,837
Accrued interest payable	517,676	297,656
Advances from FHLB	75,215,868	69,240,870
Securities sold under agreement to repurchase	847,947	812,500
Advances from borrowers for taxes and insurance	99,297	864,268
Other liabilities	1,046,940	1,196,659
Total liabilities	344,199,641	292,175,790
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value; 1,000,000 shares authorized; shares issued and outstanding - none	-	-
Common stock, \$0.01 par value; 20,000,000 shares authorized; 4,761,712 shares issued	47,617	47,617
Treasury stock, at cost, 1,000,502 shares and 825,002 shares	(10,075,845)	(8,632,753)
Additional paid-in capital	32,396,549	32,320,258
Common stock acquired by ESOP	(423,176)	(474,634)
Accumulated other comprehensive earnings, net	598,687	292,484
Retained earnings - substantially restricted	20,966,713	20,456,132
Total stockholders' equity	43,510,545	44,009,104
Total liabilities and stockholders' equity	\$ 387,710,186	336,184,894

See accompanying notes to unaudited consolidated financial statements.

LIBERTY BANCORP, INC.

Consolidated Statements of Earnings
(Unaudited)

	Three Months Ended December 31,	
	2008	2007
Interest income:		
Loans receivable	\$ 4,308,606	4,626,916
Mortgage-backed securities	153,876	200,277
Securities - taxable	190,940	449,422
Securities - non-taxable	141,307	139,596
Other interest-earning assets	6,089	57,737
Total interest income	<u>4,800,818</u>	<u>5,473,948</u>
Interest expense:		
Deposits	1,464,136	2,519,906
Securities sold under agreement to repurchase	9,000	22,270
Advances from FHLB	426,259	400,143
Total interest expense	<u>1,899,395</u>	<u>2,942,319</u>
Net interest income	2,901,423	2,531,629
Provision for loan losses		
Net interest income after provision for loan losses	<u>2,772,368</u>	<u>2,351,629</u>
Noninterest income:		
Loan service charges	21,499	25,379
Gain on sale of loans	20,453	62,636
Gain on sale of securities available for sale	12,843	-
Change in cash surrender value of BOLI	109,580	108,750
Deposit account and other service charges	294,081	281,379
Total noninterest income	<u>458,456</u>	<u>478,144</u>
Noninterest expense:		
Compensation and benefits	1,179,922	1,174,890
Occupancy expense	184,354	150,473
Equipment and data processing expense	283,430	242,607
Operations from foreclosed real estate, net	175,681	50,927
FDIC premium expense	62,000	7,395
Professional and regulatory services	119,937	108,265
Advertising	66,939	58,668
Correspondent banking charges	33,362	61,620
Supplies	58,107	33,670
Amortization of core deposit intangible	34,666	-
Other	190,827	183,585
Total noninterest expense	<u>2,389,225</u>	<u>2,072,100</u>
Earnings before income taxes	841,599	757,673
Income taxes		
Net earnings	<u>\$ 605,599</u>	<u>531,673</u>
Basic and diluted earnings per share	<u>\$ 0.16</u>	<u>0.12</u>
Dividends per share	<u>\$ 0.025</u>	<u>0.025</u>

See accompanying notes to unaudited consolidated financial statements.

LIBERTY BANCORP, INC.

Statements of Comprehensive Earnings
(Unaudited)

	Three Months Ended	
	December 31,	
	2008	2007
Net earnings	\$ 605,599	531,673
Other comprehensive earnings:		
Reclassification adjustment for gain in earnings, net of tax of \$4,495	(8,348)	-
Unrealized gains, net of tax of \$166,819	317,815	327,685
Amortization of unrecognized gain, net - SFAS No. 158	(3,264)	(3,265)
Comprehensive earnings	\$ 911,802	856,093

See accompanying notes to unaudited consolidated financial statements.

LIBERTY BANCORP, INC.

Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended December 31,	
	2008	2007
Cash flows from operating activities:		
Net earnings	\$ 605,599	531,673
Adjustments to reconcile net earnings to net cash provided by (used for) operating activities:		
Depreciation expense	155,719	145,415
Amortization of core deposit intangible	34,666	-
ESOP expense	51,874	78,808
Incentive Plan expense	75,874	82,754
Amortization of premiums (discounts) on investments, net	17,803	(23,345)
Amortization of premium on loans	16,000	-
Amortization of deferred loan fees, net	(28,510)	(111,390)
Provision for loan losses	129,055	180,000
Loans held for sale - originated	(2,272,900)	(3,970,654)
Loans held for sale - proceeds from sale	1,719,072	4,128,278
Loss on foreclosed real estate, net	121,942	41,749
Gain on sale of securities available for sale	(12,843)	-
Gain on sale of loans	(20,453)	(62,636)
Increase in cash surrender value of bank-owned life insurance	(109,580)	(108,750)
Decrease (increase) in:		
Accrued interest receivable	(48,256)	32,001
Other assets	592,378	(128,028)
Deferred tax assets	(206,108)	-
Increase (decrease) in:		
Accrued interest on deposits and other liabilities	(301,026)	(708,508)
Accrued income taxes	-	215,304
Net cash provided by (used for) operating activities	<u>520,306</u>	<u>322,671</u>
Cash flows from investing activities:		
Net change in loans receivable	(12,865,605)	(5,470,744)
Mortgage-backed available for sale:		
Principal collections	1,003,930	1,149,551
Securities available for sale:		
Principal collections	59,221	-
Purchased	-	(222,330)
Proceeds from sales	2,937,611	-
Proceeds from maturity or call	260,000	2,300,000
Proceeds from foreclosed real estate, net	332,336	356,835
Purchase of stock in FHLB of Des Moines & MIB	(678,000)	(1,234,600)
Redemption of stock in FHLB of Des Moines	412,500	201,900
Purchase of premises and equipment	(255,039)	(930,864)
Cash paid in acquisition of KLT Bancshares, Inc., net	(1,041,494)	-
Net cash provided by (used for) investing activities	<u>\$ (9,834,540)</u>	<u>(3,850,252)</u>

(Continued)

LIBERTY BANCORP, INC.

Consolidated Statements of Cash Flows
(Unaudited)

(Continued)

	Three Months Ended	
	December 31,	
	2008	2007
Cash flows from financing activities:		
Net increase (decrease) in deposits	\$ 12,743,955	(13,137,242)
Increase (decrease) in advances from borrowers for taxes and insurance	(834,867)	(876,080)
Proceeds from advances from the FHLB	277,000,000	132,850,000
Repayment of advances from the FHLB	(271,025,002)	(109,630,518)
Securities sold under agreement to repurchase:		
Proceeds	1,861,426	2,548,666
Repayments	(1,825,979)	(2,861,931)
Repurchase of common stock	(1,443,092)	(3,384,106)
Cash dividends	(95,018)	(110,803)
Net cash provided by (used for) financing activities	16,381,423	5,397,986
Net increase (decrease) in cash and cash equivalents	7,067,189	1,870,405
Cash and cash equivalents at beginning of period	8,084,603	9,042,289
Cash and cash equivalents at end of period	\$ 15,151,792	10,912,694
Supplemental disclosures of cash flow information:		
Cash paid (received) during the period for:		
Interest on deposits	\$ 1,459,949	2,797,228
Interest on securities sold under agreement to repurchase	9,000	22,375
Interest on advances from FHLB of Des Moines	413,258	392,849
Federal Income taxes	-	-
State Income taxes	-	11,969
Real estate acquired in settlement of loans	3,539,556	1,332,507
Loans originated to finance the sale of foreclosed real estate	302,500	-
Net cash paid in acquisition of KLT Bancshares, Inc.:		
Cash paid to Farley State Bank shareholders	\$ (4,500,000)	-
Acquisition costs paid	(128,631)	-
Total cash payments	(4,628,631)	-
Cash and cash equivalents acquired	3,587,137	-
Net cash paid in acquisition	\$ (1,041,494)	-

See accompanying notes to unaudited consolidated financial statements.

Notes to Unaudited Consolidated Financial Statements

(1) Basis of Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Such adjustments were of a normal recurring nature. The results of operations for the three-month period ended December 31, 2008 are not necessarily indicative of the results that may be expected for the entire year or any other interim period. For additional information, refer to the consolidated financial statements and footnotes thereto of the Company for the year ended September 30, 2008 contained in the Company's Annual Report on Form 10-K filed with the Securities Exchange Commission on December 29, 2008.

In preparing financial statements in conformity with U.S. generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and income and expenses during the reporting period. Actual results could differ significantly from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to determination of the allowance for loan losses and the fair values of financial instruments.

(2) Organization

Liberty Bancorp, Inc. (the "Company" or "Liberty Bancorp") a Missouri corporation, was formed on February 14, 2006 and became the holding company for BankLiberty (formerly Liberty Savings Bank, F.S.B., and referred to herein as the "Bank") upon completion of the Bank's conversion (the "Conversion") from a mutual holding company form to a stock holding company structure on July 21, 2006. A total of 2,807,383 shares of common stock were sold in the stock offering at the price of \$10.00 per share. In addition, a total of 1,952,754 shares of common stock were issued to the minority shareholders of the former Liberty Savings Bank, F.S.B. representing an exchange ratio of 3.5004 shares of Company common stock for each share of Liberty Savings Bank, F.S.B. common stock. Fractional shares in the aggregate, or 36 shares, were redeemed for cash. Total shares outstanding after the stock offering and the exchange totaled 4,760,137 shares. Net proceeds of \$25.6 million were raised in the stock offering, excluding \$1.2 million which was loaned by the Company to a trust for the Bank's Employee Stock Ownership Plan (the "ESOP"), enabling it to finance the purchase of 153,263 shares of common stock in the offering and exchange. Direct offering costs totaled approximately \$1.3 million. In addition, as part of the second-step conversion and dissolution of Liberty Savings Mutual Holding Company, the Bank received \$694,000 previously held by this entity.

(3) Business Combination

On November 7, 2008, the Company acquired KLT Bancshares, Inc., the parent company of Farley State Bank ("the acquisition"). Shareholders of Farley State Bank received total merger consideration of \$4.5 million, consisting of entirely cash. The Company incurred acquisition costs of approximately \$240,000. The acquisition was accounted for using the purchase method under Statement of Financial Accounting Standards (SFAS) No. 141, "Business Combinations." Fair value adjustments on the assets acquired and liabilities assumed are depreciated or amortized as applicable, over the estimated useful lives of the related assets and liabilities. The core deposit intangible of \$1.1 million is amortized over 10.2 years using the double declining balance method. The Company recorded fair value accounting adjustments of \$422,000, net of income taxes of \$247,000 and core deposit intangibles of \$665,000, net of income taxes of \$391,000. Based upon Farley State Bank's stockholders' equity of \$2.5 million, goodwill amounted to approximately \$1.2 million at November 7, 2008. The excess purchase price has been allocated to goodwill and identifiable intangible assets in accordance with current accounting literature. Such amounts are subject to minor adjustments in the near future as additional analysis is performed or obtained from third parties. As a result of the acquisition, the Bank will operate two additional full-service offices and expand its market area.

LIBERTY BANCORP, INC.

Notes to Unaudited Consolidated Financial Statements

The following table summarizes the assets acquired and liabilities assumed at November 7, 2008, the date of acquisition:

Cash and due from banks	\$ 1,353,137
Federal funds sold	2,234,000
Securities available for sale	9,658,286
Federal Home Loan Bank stock	68,300
Loans, net	20,743,173
Property and equipment, net	2,775,127
Accrued interest receivable	210,863
Goodwill	1,180,347
Core deposit intangible	1,056,000
Other assets	389,946
Total assets acquired	<u>39,669,179</u>
Deposits	33,964,121
Accrued interest payable	215,834
Advances from borrowers for taxes and insurance	69,896
Other liabilities	40,860
Deferred tax liability	638,468
Total liabilities assumed	<u>34,929,179</u>
Purchase price, including acquisition costs	<u>\$ 4,740,000</u>

The statement of earnings for the three months ended December 31, 2008 include the results of operations of the acquired entity from November 8, 2008 through December 31, 2008.

The following pro forma information, including the effects of the purchase accounting adjustments, summarizes the results of operations for the three months ended December 31, 2008 and 2007 as though the acquisition had been completed as of the beginning of each period.

	Three Months Ended	
	December 31,	
	2008	2007
Total interest income	\$5,007,765	6,053,948
Total interest expense	1,962,985	3,189,319
Net interest income	3,044,780	2,864,629
Provision for loan losses	552,983	308,000
Total noninterest income	472,844	556,144
Total noninterest expense	2,614,338	2,448,100
Income before income taxes	350,303	664,673
Income taxes	149,158	226,000
Net earnings	<u>\$ 201,145</u>	<u>438,673</u>
Pro forma basic and diluted earnings per share	<u>\$ 0.05</u>	<u>0.10</u>

Notes to Unaudited Consolidated Financial Statements

The pro forma results of operations do not purport to be indicative of the results that would actually have been obtained had the acquisition occurred on the date indicated or which may be obtained in the future.

The gross carrying value and accumulated amortization of the core deposit intangible is presented below:

	December 31, 2008
Core deposit intangible	\$ 1,056,000
Accumulated amortization	(34,666)
	<u>\$ 1,021,334</u>

Amortization expense on core deposit intangible for the three months ended December 31, 2008 was \$34,666. There was no amortization expense of core deposit intangible for the three months ended December 31, 2007.

Estimated amortization expense on core deposit intangible for the nine months ended September 30, 2009 and each of the five succeeding fiscal years is as follows:

	Core Deposit Intangible
Nine months ended September 30, 2009	\$ 156,000
Year ended September 30, 2010	170,000
Year ended September 30, 2011	137,000
Year ended September 30, 2012	110,000
Year ended September 30, 2013	89,000
Year ended September 30, 2014	71,000

(4) Earnings Per Share

Following is a summary of basic and diluted earnings per common share for the Company for the three months ended December 31, 2008 and 2007:

	Three Months Ended December 31,	
	2008	2007
Net earnings	<u>\$ 605,599</u>	<u>531,673</u>
Weighted-average shares - Basic EPS	3,710,130	4,451,306
Stock options - treasury stock method	<u>27,586</u>	<u>44,477</u>
Weighted-average shares - Diluted EPS	<u>3,737,716</u>	<u>4,495,783</u>
Basic and diluted earnings per common share	<u>\$ 0.16</u>	<u>0.12</u>
Anti-dilutive shares	<u>40,555</u>	<u>91,402</u>

Notes to Unaudited Consolidated Financial Statements

(5) Retirement Benefits

The components of the net periodic cost for postretirement medical benefits are summarized as follows:

	Three Months Ended	
	December 31,	
	2008	2007
Service cost	\$ 1,671	1,671
Interest cost	3,678	3,677
Amortization of transition obligation	3,134	3,134
Amortization of prior service cost	(2,416)	(2,416)
Amortization of actuarial gain	(5,342)	(5,341)
Net periodic cost	<u>\$ 725</u>	<u>725</u>

Directors' retirement plan expense was \$5,349 and \$5,350 for the three months ended December 31, 2008 and 2007, respectively. The expense consisted primarily of interest cost.

(6) Stock Options

As authorized by the Company's 2003 Incentive Equity and Deferred Compensation Plan (the "2003 Plan"), the Board of Directors granted 78,760 options to non-employee directors and 96,260 options to certain officers and employees during fiscal 2004. The Plan authorizes the award of up to 258,064 shares of common stock, subject to restrictions, to be issued to directors, officers and employees of the Bank. The Plan provides for the grant of stock options, stock appreciation rights, restricted stock and unrestricted stock. Options expire ten years from the date of the grant. Stock options to directors were fully vested on the grant date of June 16, 2004. Options granted to the Bank's CEO are vested over three years and three months and options granted to certain other officers and employees are vested over a five-year period. On January 27, 2005 the Board of Directors granted an additional 38,504 options to certain officers and employees. Options granted to the CEO are vested over a period of three years and eight months and options granted to certain officers and employees are vested over a five-year period. On November 23, 2005 the Board of Directors granted an additional 42,440 options to directors and officers. Options granted to the board, CEO, and certain officers, were vested over a ten-month period.

In connection with the completion of the Conversion in July 2006, the Company assumed the 2003 Plan and all outstanding options and shares were adjusted based upon the 3.5004 exchange ratio. The exercise prices were adjusted to reflect the proportional change in values that resulted from the exchange.

As authorized by the Liberty Bancorp, Inc. 2007 Equity Incentive Plan (the "2007 Plan"), the Board of Directors granted 25,150 options to non-employee directors and 65,500 options to certain officers and employees on February 27, 2007. The 2007 Plan authorizes the award of up to 100,691 options to purchase shares of common stock, subject to restrictions, to directors, officers and employees of the Bank. The Plan provides for the grant of stock options, stock appreciation rights, restricted stock and unrestricted stock. Options expire ten years from the date of the grant. All 90,650 options granted are vested over a five-year period.

On October 1, 2006, the Company adopted SFAS No. 123R, "Share-Based Payment," using the modified prospective method. Under this method compensation expense is recognized based on the fair value of unvested stock awards at October 1, 2006 or, for new awards granted thereafter, which includes restricted stock and stock options, at the grant date and is recognized on a straight-line basis over the requisite service period.

LIBERTY BANCORP, INC.

Notes to Unaudited Consolidated Financial Statements

Stock option compensation expense is as follows:

	Three Months Ended	
	December 31,	
	2008	2007
Pretax	\$ 14,227	21,107
After tax	13,466	20,180
Basic and diluted earnings per share	\$ 0.00	0.00

At December 31, 2008, the total unrecognized compensation expense related to nonvested stock options was approximately \$130,000 and is expected to be recognized over the weighted-average period of 2.77 years.

A summary of the Company's stock option activity under the Plan for the three months ended December 31, 2008 is as follows:

	Number of Shares	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term in Years	Aggregate Intrinsic Value
Outstanding at October 1, 2008	321,488	\$ 8.40	6.72	\$ 396,443
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Forfeited	-	-	-	-
Outstanding at December 31, 2008	321,488	8.40	6.47	90,871
Exercisable at December 31, 2008	236,162	7.58	6.00	86,945
Vested and expected to vest at December 31, 2008	236,162	\$ 7.58	6.00	\$ 86,945

No options were granted, exercised or vested during the three months ended December 31, 2008 and December 31, 2007.

Notes to Unaudited Consolidated Financial Statements

Restricted Stock Awards

On February 27, 2007, as authorized by the 2007 Plan, the Board of Directors granted 31,400 restricted stock awards to non-employee directors and 78,000 awards to certain officers and employees. The Plan authorized the award of up to 125,649 shares of common stock, which were repurchased by a trust to fund the restricted stock awards. All awards are vested over a five-year period. A summary of the Company's restricted stock compensation expense is as follows:

	Three Months Ended	
	December 31,	
	2008	2007
Restricted Compensation Expense	\$ 61,647	61,647

At December 31, 2008, the total unrecognized expense was \$781,000 and is expected to be recognized in 3.16 years.

A summary of the Company's nonvested stock award activity for the three months ended December 31, 2008 is as follows:

	Number of Nonvested Shares	Weighted- Average Grant Date Fair Value
Nonvested at October 1, 2008	87,520	\$ 11.27
Granted	-	-
Vested	-	-
Forfeited	-	-
Nonvested at December 31, 2008	<u>87,520</u>	<u>\$ 11.27</u>

(7) Securities

Securities having a continuous unrealized loss position at December 31, 2008 are summarized as follows:

	Less than 12 Months		12 Months or Longer		Total	
	Market Value	Unrealized Loss	Market Value	Unrealized Loss	Market Value	Unrealized Loss
Available for sale- debt securities:						
State and municipal obligations	\$ 485,859	(6,172)	2,940,293	(81,628)	3,426,152	(87,800)
Available for sale- equity securities	78,570	(35,607)	293,823	(135,430)	372,393	(171,037)
	<u>\$ 564,429</u>	<u>(41,779)</u>	<u>3,234,116</u>	<u>(217,058)</u>	<u>3,798,545</u>	<u>(258,837)</u>

Notes to Unaudited Consolidated Financial Statements

Mortgage-backed securities having a continuous unrealized loss position at December 31, 2008 are summarized as follows:

	Less than 12 Months		12 Months or Longer		Total	
	Market Value	Unrealized Loss	Market Value	Unrealized Loss	Market Value	Unrealized Loss
Available for sale:						
FHLMC	\$ -	-	5,285,377	(16,126)	5,285,377	(16,126)
FNMA	-	-	3,416,468	(31,848)	3,416,468	(31,848)
GNMA	30,924	(426)	-	-	30,924	(426)
FNMA - CMO	-	-	120,001	(398)	120,001	(398)
GNMA - CMO	-	-	168,202	(321)	168,202	(321)
	\$ 30,924	(426)	8,990,048	(48,693)	9,020,972	(49,119)

Unrealized losses are related to changes in market interest rates and not the credit quality of the issuers.

(8) Fair Value Measurements

General

Effective October 1, 2008, the Company adopted the provisions of SFAS No. 157, "Fair Value Measurements," for financial assets and liabilities. In accordance with Financial Accounting Standards Board Staff Position No. 157-2, "Effective Date of FASB Statement No. 157," the Company will delay application of SFAS No. 157 for non-financial assets and liabilities that are not recognized or disclosed at fair value in the financial statements, until October 1, 2009.

SFAS No. 157 defines fair value 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. The fair value hierarchy prioritizes the assumptions that market participants would use in pricing the assets or liabilities (the "inputs") into three broad levels.

The fair value hierarchy gives the highest priority (Level 1) to quoted prices in active markets for identical assets and liabilities and the lowest priority (Level 3) to unobservable inputs in which little, if any, market activity exists, requiring entities to develop their own assumptions and data.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in market areas that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks and default rates) or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Valuation Techniques

Available for sale securities are carried at fair value utilizing Level 1, Level 2 and Level 3 inputs. For equity securities, the Company obtains fair values for its common stock.

For Level 2 debt securities, the Company obtains fair value measurements from an independent pricing service. Level 2 debt securities include Federal agency obligations, state and municipal obligations, mortgage-backed securities and collateralized mortgage obligations. The fair value measurements consider observable data that may include dealer quotes, live trading levels, trade execution data, cash flows, market consensus prepayment speeds, market spreads, credit information and the U.S. Treasury yield curve.

Notes to Unaudited Consolidated Financial Statements

The fair value of Level 3 debt securities are determined by the appraisal of the underlying collateral, discounted cash flow analysis, and other internally developed estimates that incorporate market-based assumptions.

Impaired loans are carried at fair value utilizing Level 3 inputs, consisting of appraisals of underlying collateral and discounted cash flow analysis. The Company considers a loan to be impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement on a timely basis. The types of loans for which impairment is measured include nonaccrual income property loans (excluding those loans included in the homogenous portfolio which are collectively reviewed for impairment), large, nonaccrual single-family loans and troubled debt restructurings. Valuation allowances are established for impaired loans for the difference between the loan amount and the fair value of collateral and estimated selling costs.

Mortgage loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated market value in the aggregate, utilizing Level 2 inputs as determined based on expected proceeds from outstanding commitments from investors.

Assets Measured at Fair Value on a Recurring Basis

The following table summarizes financial assets measured at fair value on a recurring basis at December 31, 2008, segregated by the level of the inputs within the hierarchy used to measure fair value:

Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Available for sale securities:				
Debt securities:				
Federal agency obligations	\$ -	19,097,229	-	19,097,229
State and municipal obligations	-	8,895,565	3,146,687	12,042,252
Mortgage-backed securities	-	14,126,275	-	14,126,275
Collateralized mortgage obligations	-	288,204	-	288,204
Equity securities	372,393	-	-	372,393
	<u>\$ 372,393</u>	<u>42,407,273</u>	<u>3,146,687</u>	<u>45,926,353</u>

Assets Measured at Fair Value on a Non-Recurring Basis

Assets measured at fair value on a non-recurring basis at December 31, 2008 include impaired loans of \$5,348,487, utilizing Level 3 inputs and loans held for sale of \$1,451,527, utilizing Level 2 inputs. The impaired loans are collateral dependent and the allowance for losses on the impaired loans was \$202,535 at December 31, 2008. There was a provision for losses on these loans of \$4,606 during the three months ended December 31, 2008.

Notes to Unaudited Consolidated Financial Statements

(9) Income Taxes

The Company adopted the provisions of Financial Accounting Standards Board Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109" ("FIN 48"), effective October 1, 2007. No adjustment was recognized for uncertain tax positions. The Company is subject to U.S. Federal income taxes, as well as Missouri income taxes and special financial institution taxes. Tax years ending September 30, 2006 through September 30, 2008 remain open to examination by these jurisdictions. The Company recognizes interest and penalties related to tax positions in income tax expense. At December 31, 2008, there was no accrual for uncertain tax positions or related interest.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of the Company's financial condition and results of operations is intended to assist in understanding the financial condition and results of operations of the Company. The information contained in this section should be read in conjunction with the Financial Statements and footnotes appearing in Part I, Item 1 of this report.

Forward-Looking Statements

This quarterly report contains forward-looking statements that are based on assumptions and may describe future plans, strategies and expectations of Liberty Bancorp and the Bank. These forward-looking statements are generally identified by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project" or similar expressions.

Liberty Bancorp and the Bank's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on the operations of Liberty Bancorp and its subsidiary include, but are not limited to, changes in interest rates, national and regional economic conditions, legislative and regulatory changes, monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal Reserve Board, the quality and composition of the loan or investment portfolios, demand for loan products, deposit flows, competition, demand for financial services in Liberty Bancorp and the Bank's market area, changes in real estate market values in the Bank's market area, changes in relevant accounting principles and guidelines and inability of third party service providers to perform.

These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Except as required by applicable law or regulation, Liberty Bancorp does not undertake, and specifically disclaims any obligation, to release publicly the result of any revisions that may be made to any forward-looking statements to reflect events or circumstances after the date of the statements or to reflect the occurrence of anticipated or unanticipated events.

General

The Bank is a community-oriented financial institution dedicated to serving the financial service needs of consumers and businesses within its market area. We attract deposits from the general public and use these funds to originate loans secured by real estate located in our market area. Our real estate loans include construction loans, commercial real estate loans and loans secured by single-family or multi-family properties. To a lesser extent, we originate consumer loans and commercial business loans. At December 31, 2008, we operated out of our main office in Liberty, Missouri and nine additional retail banking facilities in the Kansas City metropolitan area. The Federal Deposit Insurance Corporation insures the Bank's savings accounts up to the applicable legal limits. The Bank is a member of the Federal Home Loan Bank System.

Critical Accounting Policies

The accounting and reporting policies were prepared in accordance with U.S. generally accepted accounting principles ("US GAAP") and general practices accepted within the financial services industry. The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Management has identified the accounting policies described below as those that, due to the judgements, estimates and assumptions inherent in those policies, are critical to an understanding of our financial statements and management's discussion and analysis.

Income Recognition

We recognize interest income by methods conforming to US GAAP that include general accounting practices within the financial services industry. Interest income on loans and investment securities is recognized by methods that result in level rates of return on principal amounts outstanding, including yield adjustments resulting from the amortization of loan costs and premiums on investment securities and accretion of loan fees and discounts on investment securities.

In the event management believes collection of all or a portion of contractual interest on a loan has become doubtful, which generally occurs after the loan is 90 days past due, the accrual of interest is discontinued. In addition, previously accrued interest deemed uncollectible that was recognized in income is reversed. Interest received on nonaccrual loans is included in income only if principal recovery is reasonably assured. A nonaccrual loan is restored to accrual status when it is brought current or has performed in accordance with contractual terms for a reasonable period of time, and the collectibility of the total contractual principal and interest is no longer doubtful.

Allowance for Loan Losses

Valuation allowances are established for impaired loans for the difference between the loan amount and the fair value of collateral less estimated selling costs. We consider a loan to be impaired when, based on current information and events, it is probable that we will be unable to collect all amounts due according to the contractual terms of the loan agreement on a timely basis. The types of loans for which impairment is measured include nonaccrual income property loans (excluding those loans included in the homogenous portfolio which are collectively reviewed for impairment), large nonaccrual single-family loans and troubled debt restructurings. Such loans are generally placed on nonaccrual status at the point deemed uncollectible. Impairment losses are recognized through an increase in the allowance for loan losses. See also "Asset Quality."

Allowances for loan losses are available to absorb losses incurred on loans and represent additions charged to expense, less net charge-offs. The allowances are evaluated on a regular basis by management and are based on management's periodic review of the collectibility of loans, in light of historical experience, fair value of the underlying collateral, changes in the types and mix of loans originated and prevailing economic conditions.

Qualitative Disclosures of Market Risk

Our principal financial objective is to achieve long-term profitability while reducing our exposure to fluctuating interest rates. We have an exposure to interest rate risk. We have employed various strategies intended to minimize the adverse effect of interest rate risk on future operations by providing a better match between the interest rate sensitivity of our assets and liabilities.

In particular, our strategies are intended to stabilize net interest income for the long-term by protecting our interest rate spread against increases in interest rates. Such strategies include originating for portfolio adjustable-rate and short-term loans with greater interest rate sensitivities than long-term, fixed-rate residential mortgage loans. We sell fixed-rate mortgage loans in the secondary market.

Liquidity and Capital Resources

Our principal sources of funds are cash receipts from deposits, loan repayments by borrowers, proceeds from maturing securities, advances from the Federal Home Loan Bank ("FHLB") and net earnings. We have an agreement with the FHLB of Des Moines to provide cash advances, should we need additional funds for loan originations or other purposes.

LIBERTY BANCORP, INC.

Commitments to originate loans are legally binding agreements to lend to our customers. Letters of credit are conditional commitments issued by us to guarantee the performance of the borrower to a third party. The following table sets forth information regarding off-balance sheet financial instruments as of December 31, 2008:

	<u>Fixed-Rate</u>	<u>Adjustable-Rate</u>
Off-balance sheet financial instruments:		
Commitments to originate loans	\$ 1,467,689	1,792,398
Commitments for unused lines of credit	\$ 644,997	10,905,597
Commitments for undisbursed loans	\$ 6,117,917	9,260,481
Commitments for letters of credit	\$ 47,580	-

Financial Condition

Total assets increased from \$336.2 million at September 30, 2008 to \$387.7 million at December 31, 2008. Cash and cash equivalents increased \$7.1 million from September 30, 2008 to December 31, 2008. Securities available for sale increased from \$26.1 million at September 30, 2008 to \$31.5 million at December 31, 2008 due to the acquisition of securities from KLT Bancshares, Inc., partially offset by sales and maturities. Mortgage-backed securities available for sale increased from \$14.0 million at September 30, 2008 to \$14.4 million at December 31, 2008 due to the acquisition of mortgage-backed securities, partially offset by principal repayments. Stock in the Federal Home Loan Bank of Des Moines increased by \$334,000 due to stock purchase requirements as a result of a higher level of advances. Loans receivable increased by \$30.3 million to \$287.0 million at December 31, 2008 due to loans received in the acquisition of \$20.7 million and increased activity in commercial real estate lending. Loans held for sale increased \$575,000 due to an increase in mortgage lending activity related to a decrease in interest rates. Premises and equipment, net increased \$2.9 million to \$12.7 million at December 31, 2008 due to the acquisition. The premises and equipment acquired consisted primarily of three bank branch facilities. The cash surrender value of bank-owned life insurance increased by \$110,000 to \$8.6 million as of December 31, 2008 as compared to \$8.5 million as of September 30, 2008. Foreclosed real estate, net at December 31, 2008 totaled \$7.7 million, an increase of \$2.8 million from \$4.9 million at September 30, 2008. Foreclosed real estate, net consists of six single-family lots, 24 spec construction properties, eleven single-family homes, one multi-family property, one residential development property and one non-residential property. Goodwill totaling \$1.2 million and core deposit intangible totaling \$1.0 million resulted from the acquisition of Farley State Bank. Other assets decreased primarily due to lower deferred tax assets as a result of unrealized gains on securities and the acquisition.

Total liabilities increased \$52.0 million to \$344.2 million at December 31, 2008 compared to \$292.2 million at September 30, 2008. Deposits increased from \$219.8 million at September 30, 2008 to \$266.5 million at December 31, 2008 primarily due to the acquisition and an increase in short-term certificate accounts, money market accounts, interest bearing and noninterest bearing checking and brokered certificates. Accrued interest payable increased primarily as a result of deposits assumed in the acquisition. Other liabilities decreased due primarily to a lower level of accrued payroll expense and accrued real estate taxes, both attributable to the timing of payments. Advances from the FHLB increased by \$6.0 million to \$75.2 million at December 31, 2008. Additional FHLB advances were used as a lower cost of funding source. Advances from borrowers for taxes and insurance decreased by \$765,000 due to calendar year-end payment of real estate taxes on behalf of borrowers.

Stockholders' equity decreased \$499,000 from \$44.0 million at September 30, 2008 to \$43.5 million at December 31, 2008 due to the repurchase of common stock totalling \$1.4 million and the payment of cash dividends, partially offset by net earnings of \$606,000 for the three months ended December 31, 2008, amortization of ESOP and stock-based incentive awards and higher unrealized gains, net of taxes, on investments. During the three months ended December 31, 2008 and 2007, the Company paid cash dividends of \$95,018 and \$110,803, respectively.

LIBERTY BANCORP, INC.

The Bank is required to maintain certain minimum capital requirements under OTS regulations. Failure by a savings institution to meet minimum capital requirements can result in certain mandatory and possible discretionary actions by regulators, which, if undertaken, could have a direct material effect on the Bank's financial statements. Under the capital adequacy guidelines and regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classifications are also subject to judgments by the regulators about components, risk-weightings and other factors.

The Bank's actual and required capital amounts and ratios at December 31, 2008 were as follows:

	Actual		Minimum Required			
			for Capital Adequacy		to be "Well Capitalized"	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(Dollars in Thousands)					
Stockholders' equity	\$ 39,812					
Computer software costs	(198)					
Goodwill and core deposit intangible	(1,572)					
Unrecognized gain, net - SFAS No. 158	(66)					
Unrealized gain on securities AFS, net	(641)					
Tangible capital	\$ 37,335	9.8%	\$ 5,736	1.5%		
General valuation allowance	2,685					
Total capital to risk-weighted assets	\$ 40,020	12.6%	\$ 25,391	8.0%	\$ 31,739	10.0%
Tier 1 capital to risk-weighted assets	\$ 37,335	11.8%	\$ 12,695	4.0%	\$ 19,043	6.0%
Tier 1 capital to total assets	\$ 37,335	9.8%	\$ 15,295	4.0%	\$ 19,118	5.0%

Asset Quality

The following table sets forth information with respect to the Bank's impaired loans at the dates indicated:

	December 31, 2008	September 30, 2008
Nonaccrual loans	\$ 5,348,487	8,218,713
Accruing loans past due 90 days or more	-	-
Total impaired loans	\$ 5,348,487	8,218,713
Allowance for losses on impaired loans	\$ 202,535	437,523
Impaired loans with no allowance for loan losses	\$ 2,866	-

On occasion, the Bank originates single-family loans with high loan to value ratios exceeding 90 percent. At December 31, 2008, these loans amounted to \$4.7 million.

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At December 31, 2008, all loans where known information about possible credit problems of borrowers which caused management to have serious concerns as to the ability of the borrowers to comply with present loan repayment terms have been disclosed as nonaccrual, 90 days past due, or restructured.

Under our internal review policy, loans classified as substandard decreased from \$9.3 million at September 30, 2008 to \$5.5 million at December 31, 2008. Substandard loans were primarily secured by one commercial office building and one land development property. Special mention loans remained the same at \$2.9 million at December 31, 2008 and September 30, 2008 and consisted of two loans secured by land for the development of single-family lots and commercial real estate.

Following is a summary of activity in the allowance for loan losses:

Balance at September 30, 2008	\$ 2,633,298
Charge-offs	(331,157)
Recoveries	1,769
Allowance acquired by acquisition	252,129
Provision charged to expense	129,055
Balance at December 31, 2008	<u>\$ 2,685,094</u>

Results of Operations Overview

Our primary source of earnings before income taxes is net interest income. Net interest income is the difference between interest income, which is the income that we earn on our loans and securities, and interest expense, which is the interest that we pay on our deposits and borrowings. Other significant sources of earnings before income taxes are service charges on deposit accounts.

Results of Operations for the Three Months Ended December 31, 2008 and 2007*Selected Financial Data*

	Three Months Ended December 31,		
	2008	2007	% Change
Net earnings	\$ 605,599	531,673	13.9%
Return on assets	0.67%	0.63%	6.3
Return on average stockholders' equity	5.54%	4.34%	27.6
Stockholders' equity-to-assets ratio	12.09%	14.56%	(17.0)
Dividend payout ratio	15.69%	20.84%	(24.7)

Net Earnings

Net earnings increased from \$532,000 for the three months ended December 31, 2007 to \$606,000 for the three months ended December 31, 2008. Net earnings increased due to higher net interest income and a lower provision for loan losses, partially offset by lower noninterest income, higher noninterest expense and higher income tax expense. Basic and diluted earnings per share increased from \$0.12 for the three months ended December 31, 2007 to \$0.16 for the three months ended December 31, 2008.

LIBERTY BANCORP, INC.

Net Interest Income

Net interest income increased from \$2.5 million for three months ended December 31, 2007 to \$2.9 million for the three months ended December 31, 2008. A higher interest rate spread was partially offset by a lower level of net interest-earning assets. Our interest rate spread improved by 54 basis points as compared to the three months ended December 31, 2007, as a result of a significant decrease in the cost of deposits and FHLB advances, which more than offset a lower yield on interest-earning assets. Our interest rate spread was 3.45% for the three months ended December 31, 2008 and 2.91% for the three months ended December 31, 2007. The average yield on interest-earning assets decreased by 115 basis points and the average cost of interest-bearing liabilities decreased by 169 basis points for the three months ended December 31, 2008 as compared to the three months ended December 31, 2007. Net interest-earning assets have decreased due to the repurchase of common stock and an increase in premises and equipment due to the construction of new retail branch facilities, the acquiring of premises and equipment of Farley State Bank and an increase in foreclosed real estate, net. We have funded loan growth since December 2007 primarily through an increase in deposits and FHLB advances.

Interest income on loans receivable decreased from \$4.6 million for the three months ended December 31, 2007 to \$4.3 million for the comparable period in 2008. The decrease is attributable to a lower average yield, partially offset by a higher average balance. The lower average yield is due to a decrease in the prime rate which affects a significant amount of our commercial and construction loans. The higher average balance is due primarily to an increase in commercial real estate loans and single family home loans, partially offset by a decrease in construction and development loans. Interest income on mortgage-backed securities decreased due to a lower average balance, partially offset by a higher average yield. Interest income on securities decreased from \$589,000 to \$332,000 due to a lower average balance and average yield.

Interest expense on deposits decreased by \$1.1 million for the three months ended December 31, 2008 compared to the same period in 2007, primarily as a result of a lower average rate. The weighted-average rate on deposits decreased from 4.04% for the three months ended December 31, 2007 to 2.44% for the comparable 2008 period. Interest expense on FHLB advances increased by \$26,000 for the comparable three month periods due to a higher average balance, partially offset by a lower average rate. In general, a 400 basis point decrease in the prime rate lead to a lower cost of funds. The increase of \$25.6 million in FHLB advances from December 31, 2007 to December 31, 2008 allowed us to fund operations with alternative sources of funds at a lower cost than deposits.

Average Balances and Yields

The average balances and yields tables present information regarding average balances of assets and liabilities, the total dollar amounts of interest income and dividends from average interest-earning assets, the total dollar amounts of interest expense on average interest-bearing liabilities, and the resulting average yields and costs. The yields and costs for the periods indicated are derived by dividing annualized income or expense by the average balances of assets or liabilities, respectively, for the periods presented. For purposes of these tables, average balances have been calculated using month-end balances and, to a lesser extent, daily balances. Management does not believe that the use of month-end balances instead of daily average balances has caused any material differences in the information presented. No tax equivalent adjustments were made. Nonaccruing loans have been included in the tables as loans carrying a zero yield.

LIBERTY BANCORP, INC.

Three Months Ended December 31,

	2008			2007		
	Average Balance	Interest	Average Yield/ Cost	Average Balance	Interest	Average Yield/ Cost
(Dollars in thousands)						
Interest-earning assets:						
Loans receivable	\$ 273,808	\$ 4,308	6.29%	\$ 237,475	\$ 4,627	7.79%
Mortgage-backed securities	14,164	154	4.35	19,049	200	4.20
Securities	32,224	332	4.12	49,317	589	4.78
Other interest-earning assets	6,212	6	0.39	5,411	58	4.29
Total interest-earning assets	<u>326,408</u>	<u>4,800</u>	5.88	<u>311,252</u>	<u>5,474</u>	7.03
Interest-bearing liabilities:						
Deposits	240,186	1,464	2.44	249,242	2,520	4.04
FHLB advances	71,478	426	2.38	34,214	400	4.68
Securities sold under agreement to repurchase	677	9	5.31	1,959	22	4.55
Total interest-bearing liabilities	<u>\$ 312,341</u>	<u>1,899</u>	2.43	<u>\$ 285,415</u>	<u>2,942</u>	4.12
Net interest income before provision for loan losses		<u>\$ 2,901</u>			<u>\$ 2,532</u>	
Interest rate spread			3.45%			2.91%
Net earning assets	<u>\$ 14,067</u>			<u>\$ 25,837</u>		
Net yield on average interest-earning assets			3.56%			3.25%
Ratio of average interest-earning assets to average interest- bearing liabilities	<u>104.50%</u>			<u>109.05%</u>		

Provision for Loan Losses

The provision for loan losses is based upon management's consideration of current economic conditions, the loan portfolio composition and historical loss experience used to estimate probable losses as well as the level of non-performing assets. Each month, management also reviews individual loans for which full collectibility may not be reasonably assured and considers, among other matters, the estimated fair value of the underlying collateral. The Company and Bank are subject to periodic examination by regulatory agencies, which may require us to record increases in the allowances based on their evaluation.

The provision for loan losses was \$129,000 and \$180,000 for the three months ended December 31, 2008 and 2007, respectively. For the three months ended December 31, 2008, the provision of \$129,000 was due to loan charge-offs and an increase in loans receivable. Charge-offs were primarily attributable to single family construction loans. The allowance for loan losses as a percentage of total gross loans decreased to .88% as of December 31, 2008, as compared to .94% as of September 30, 2008. Substandard loans decreased by \$3.8 million as of December 31, 2008 as compared to September 30, 2008 due primarily to the foreclosure on single family construction properties. Special mention loans remained unchanged for the three months ended December 31, 2008 and September 30, 2008.

LIBERTY BANCORP, INC.

Noninterest income

	Three Months Ended		
	December 31,		
	2008	2007	% Change
Loan service charges	\$ 21,499	25,379	(15.3) %
Gain on sale of loans	20,453	62,636	(67.3)
Gain on sale of securities, available for sale	12,843	-	NM
Change in cash surrender value of BOLI	109,580	108,750	0.8
Deposit account and other service charges	294,081	281,379	4.5
	<u>\$ 458,456</u>	<u>478,144</u>	(4.1)

NM - Not meaningful.

Noninterest income decreased for 2008 due primarily to a decrease in the gain on sale of loans which was partially offset by an increase in deposit account service charges and gain on sale of securities.

During the three months ended December 31, 2008 and 2007, we originated loans for sale to secondary market investors of \$2.3 million and \$4.0 million, respectively.

Noninterest Expense

	Three Months Ended		
	December 31,		
	2008	2007	% Change
Compensation and benefits	\$ 1,179,922	1,174,890	0.4%
Occupancy expense	184,354	150,473	22.5
Equipment and data processing expense	283,430	242,607	16.8
Operations from foreclosed real estate, net	175,681	50,927	245.0
FDIC premium expense	62,000	7,395	738.4
Professional and regulatory services	119,937	108,265	10.8
Advertising	66,939	58,668	14.1
Correspondent banking charges	33,362	61,620	(45.9)
Supplies	58,107	33,670	72.6
Other	190,827	183,585	3.9
Amortization of Core Deposit Intangible	34,666	-	NM
	<u>\$ 2,389,225</u>	<u>2,072,100</u>	15.3

NM - Not meaningful.

Noninterest expense increased from \$2.0 million for the three months ended December 31, 2007 to \$2.4 million for the comparable period in 2008. Compensation and benefits expense increased primarily due to higher salary levels and health insurance expense, partially offset by lower ESOP expense and stock option and restricted stock award expense. Occupancy expense increased due primarily to higher building depreciation expense, higher real estate and personal property tax expense on new branch offices and higher utility expense. Equipment and data processing expense increased due primarily to higher computer depreciation and data processing expense related to the acquisition, higher internet bill pay expense, higher service agreement expense and higher repairs expense, partially offset by lower furniture and automobile depreciation expense and automobile maintenance expenses. FDIC premium expense increased due to a higher assessment as a result of a risk-based assessment system which considers the supervisory rating and certain financial ratios of each financial institution and related expiring credits. Expenses from operations from foreclosed real estate, net increased due primarily to higher losses on sale of foreclosed real estate and higher maintenance expenses. Professional and regulatory services increased primarily due to higher audit expenses, partially offset by lower legal expenses. Advertising expense increased due to television and mortgage lending related advertising.

Correspondent banking expense decreased due to the renegotiation of contracts with vendors. Other expenses increased due to higher postage, data line and retail operations expense, partially offset by lower mortgage loan department expenses.

Income Taxes

Income taxes increased for the three months ended December 31, 2008 due to a higher earnings partially offset by a lower effective tax rate. The effective rate for the three months ended December 31, 2008 was 28.0%, compared to 29.8% for the three months ended December 31, 2007.

Off-Balance Sheet Arrangements

In the normal course of operations, we engage in a variety of financial transactions that, in accordance with U.S. generally accepted accounting principles, are not recorded in our financial statements. These transactions involve, to varying degrees, elements of credit, interest rate and liquidity risk. Such transactions are used primarily to manage customers' requests for funding and take the form of loan commitments and lines of credit. We currently have no plans to engage in hedging activities in the future.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk is the possible chance of loss from unfavorable changes in market prices and rates. These changes may result in a reduction of current and future period net interest income, which is the favorable spread earned from the excess of interest income on interest-earning assets over interest expense on interest-bearing liabilities.

The Company considers interest rate risk to be its most significant market risk, which could potentially have the greatest impact on operating earnings. The structure of the Company's loan and deposit portfolios is such that a significant change in interest rates may adversely impact net market values and net interest income.

Information as of December 31, 2008 concerning the Company's exposure to market risk has not changed significantly from that disclosed under "Interest Rate Risk Management" in the Company's Form 10-K for the year ended September 30, 2008 filed with the Securities and Exchange Commission on December 29, 2008.

Item 4 (T). Controls and Procedures

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's principal executive officer and principal financial officer, of the effectiveness of the design and operation of the Company's "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective for the purpose of ensuring that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act (1) is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms and (2) is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in the Company's internal control over financial reporting during the most recent fiscal quarter that have materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION**Item 1 - Legal Proceedings**

Periodically, there have been various claims and lawsuits against us, such as claims to enforce liens, condemnation proceedings on properties in which we hold security interests, claims involving the making and servicing of real property loans and other issues incident to our business. We are not a party to any pending legal proceedings that we believe would have a material adverse effect on our financial condition, results of operations or cash flows.

Item 1A – Risk Factors

For information regarding the Company's risk factors see "Risk Factors," in the Company's Form 10-K for the fiscal year ended September 30, 2008 filed with the Securities and Exchange Commission on December 29, 2008. As of December 31, 2008, the risk factors of the Company have not changed materially from those reported in the Form 10-K.

Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information regarding the Company's purchases of its equity securities during the three months ended December 31, 2008.

ISSUER PURCHASES OF EQUITY SECURITIES				
Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs (1)
October 1, 2008 through October 31, 2008	24,500	\$ 8.72	24,500	256,835
November 1, 2008 through November 30, 2008	50,000	\$ 8.35	50,000	206,835
December 1, 2008 through December 31, 2008	101,000	\$ 8.02	101,000	105,835
Total	175,500	\$ 8.22	175,500	

(1) On August 6, 2007, the Company announced that its Board of Directors had approved a stock repurchase program to acquire up to 476,119 shares, or 10%, of the Company's outstanding common stock. On December 20, 2007, a second stock repurchase program was approved to acquire up to 222,048 shares, or 5%, of the Company's outstanding common stock. On February 22, 2008, a third stock repurchase program was approved to acquire up to 408,170, or 10%, of the Company's outstanding stock. There are no expiration dates for the repurchase programs. Repurchased shares are held in treasury.

Item 3 - Defaults upon Senior Securities

Not applicable.

Item 4 – Submission of Matters to a Vote of Security Holders

None.

Item 5 - Other Information

None.

Item 6 – Exhibits

(a)Exhibits:

- 10.1: Amended and Restated Liberty Bancorp, Inc./BankLiberty Three-Year Employment Agreement with Brent Giles, dated December 17, 2008 * (1)
- 10.2: Amended and Restated BankLiberty Two-Year Change in Control Agreement with Mark E. Hecker, dated December 17, 2008 * (1)
- 10.3: Amended and Restated BankLiberty Two-Year Change in Control Agreement with Marc J. Weishaar, dated December 17, 2008 * (1)
- 31.1: Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
- 31.2: Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
- 32: Section 1350 Certifications

* Management contract or compensatory plan, contract or arrangement.

(1) Amended during the quarter ending December 31,2008 to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations and guidance issued with respect to Section 9A of the Code.

LIBERTY BANCORP, INC.

SIGNATURES

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

DATE: February 13, 2009

LIBERTY BANCORP, INC.
(Registrant)

BY: /s/ Brent M. Giles
Brent M. Giles, President and Chief Executive Officer
(Principal Executive Officer)

BY: /s/ Marc J. Weishaar
Marc J. Weishaar, Senior Vice President and Chief
Financial Officer
(Principal Financial Officer)

AMENDED AND RESTATED
LIBERTY BANCORP, INC./BANKLIBERTY
THREE-YEAR EMPLOYMENT AGREEMENT

THIS AGREEMENT, originally entered into on the 21st day of July, 2006 (the "Agreement"), by and among LIBERTY BANCORP, INC., a Missouri-chartered corporation (the "Company") BANKLIBERTY, a federally-chartered financial institution (the "Bank"), and BRENT GILES ("Executive") is amended and restated in its entirety as of December 17, 2008.

WITNESSETH

WHEREAS, Executive continues to serves in a position of substantial responsibility; and

WHEREAS, the Company and the Bank wish to continue to assure the services of Executive for the period provided in this Agreement; and

WHEREAS, Executive is willing to continue to serve in the employ of the Bank on a full-time basis for said period; and

WHEREAS, the parties to this Agreement desire to amend and restate the Agreement in order to bring it into compliance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and upon the other terms and conditions hereinafter provided, the parties hereby agree as follows:

1. **Employment.** Executive is employed as the President and Chief Executive Officer of the Company and the Bank. Executive shall perform all duties and shall have all powers which are commonly incident to the office of President and Chief Executive Officer or which, consistent with those offices, are delegated to him by the Board of Directors of the Bank or the Company.

2. **Location and Facilities.** Executive will be furnished with the working facilities and staff customary for executive officers with the title and duties set forth in Section 1 and as are necessary for him to perform his duties. The location of such facilities and staff shall be at the principal administrative offices of the Company and the Bank, or at such other site or sites customary for such offices.

3. **Term.**

(a) The term of this Agreement shall be (i) the initial term, consisting of the period commencing on July 21, 2006 (the "Effective Date") and ending on July 21, 2009, plus (ii) any and all extensions of the initial term made pursuant to Section 3(b) of this Agreement.

- (b) Commencing on the first year anniversary date of this Agreement, and continuing on each anniversary thereafter, the disinterested members of the boards of directors of the Bank and the Company may extend the Agreement an additional year such that the remaining term of the Agreement shall be thirty six (36) months, unless Executive elects not to extend the term of this Agreement by giving written notice in accordance with Section 19 of this Agreement. The Boards of Directors of the Bank and the Company (the "Boards") will review the Agreement and Executive's performance annually for purposes of determining whether to extend the Agreement. Executive shall receive notice as soon as possible after such review as to whether the Agreement is to be extended. As of the date of this restatement the term of the Agreement had been extended to December 17, 2011.

4. Base Compensation.

- (a) The Bank and the Company agree to pay Executive during the term of this Agreement an aggregate base salary at the rate of \$218,295 per year, payable in accordance with customary payroll practices of the Bank and the Company.
- (b) The Boards shall review annually the rate of Executive's base salary based upon factors they deem relevant, and may maintain or increase his salary, provided that no such action shall reduce the rate of salary below the rate in effect on the Effective Date.
- (c) In the absence of action by the Boards, Executive shall continue to receive a base salary at the annual rate specified on the Effective Date or, if another rate has been established under the provisions of this Section 4, the rate last properly established by action of the Boards under the provisions of this Section 4.

5. Bonuses. Executive shall be eligible to participate in discretionary bonuses or other incentive compensation programs that the Company and the Bank may award from time to time to senior management employees pursuant to bonus plans or otherwise.

6. Benefit Plans. Executive shall be eligible to participate in such life insurance, medical, dental, pension, profit sharing, retirement and stock-based compensation plans and other programs and arrangements as may be approved from time to time by the Company and the Bank for the benefit of their employees.

7. Vacation and Leave.

- (a) Executive shall be entitled to vacation and other leave in accordance with policy for senior executives, or otherwise as approved by the Boards.

- (b) In addition to paid vacation and other leave, the Executive shall be entitled, without loss of pay, to absent himself voluntarily from the performance of his employment for such additional periods of time and for such valid and legitimate reasons as the Boards may in their discretion determine. Further, the Boards may grant to the Executive a leave or leaves of absence, with or without pay, at such time or times and upon such terms and conditions as the Boards in their discretion may determine.

8. Expense Payments and Reimbursements. Executive shall be reimbursed for all reasonable out-of-pocket business expenses that he shall incur in connection with his services under this Agreement upon substantiation of such expenses in accordance with applicable policies of the Company and the Bank.

9. Automobile. During the term of this Agreement, Executive shall be entitled to use of an automobile. Executive shall comply with reasonable reporting and expense limitations on the use of such automobile as may be established by the Company or the Bank from time to time, and the Company or the Bank shall annually include on Executive's Form W-2 any amount of income attributable to Executive's personal use of such automobile.

10. Loyalty and Confidentiality.

- (a) During the term of this Agreement Executive: (i) shall devote all his time, attention, skill, and efforts to the faithful performance of his duties hereunder; provided, however, that from time to time, Executive may serve on the boards of directors of, and hold any other offices or positions in, companies or organizations which will not present any conflict of interest with the Company or the Bank or any of their subsidiaries or affiliates, unfavorably affect the performance of Executive's duties pursuant to this Agreement, or violate any applicable statute or regulation and (ii) shall not engage in any business or activity contrary to the business affairs or interests of the Company and the Bank.
- (b) Nothing contained in this Agreement shall prevent or limit Executive's right to invest in the capital stock or other securities of any business dissimilar from that of the Company and the Bank, or, solely as a passive, minority investor, in any business.
- (c) Executive agrees to maintain the confidentiality of any and all information concerning the operation or financial status of the Company and the Bank; the names or addresses of any of its borrowers, depositors and other customers; any information concerning or obtained from such customers; and any other information concerning the Company and the Bank to which he may be exposed during the course of his employment. The Executive further agrees that, unless required by law or specifically permitted by the Boards in writing, he will not disclose to any person or entity, either during or subsequent to his employment, any of the above-mentioned information which is not generally known to the public, nor shall he employ such information in any way other than for the benefit of the Company and the Bank.

11. **Termination and Termination Pay.** Subject to Section 12 of this Agreement, Executive's employment under this Agreement may be terminated in the following circumstances:

- (a) **Death.** Executive's employment under this Agreement shall terminate upon his death during the term of this Agreement, in which event Executive's estate shall be entitled to receive the compensation due to the Executive through the last day of the calendar month in which his death occurred.
- (b) **Retirement.** This Agreement shall be terminated upon Executive's retirement under the retirement benefit plan or plans in which he participates pursuant to Section 6 of this Agreement or otherwise. Executive will receive the compensation due to him through his retirement date.
- (c) **Disability.**
 - (i) The Boards or Executive may terminate Executive's employment after having determined Executive has a Disability. For purposes of this Agreement, "Disability" means a physical or mental infirmity that impairs Executive's ability to substantially perform his duties under this Agreement and that results in Executive becoming eligible for long-term disability benefits under any long-term disability plans of the Company or the Bank (or, if there are no such plans in effect, that impairs Executive's ability to substantially perform his duties under this Agreement for a period of one hundred eighty (180) consecutive days). The Boards shall determine whether or not Executive is and continues to be permanently disabled for purposes of this Agreement in good faith, based upon competent medical advice and other factors that they reasonably believe to be relevant. As a condition to any benefits, the Boards may require Executive to submit to such physical or mental evaluations and tests as it deems reasonably appropriate.
 - (ii) In the event of such Disability, Executive's obligation to perform services under this Agreement will terminate. The Bank will pay Executive, as Disability pay, an amount equal to 100% of Executive's bi-weekly rate of base salary in effect as of the date of his termination of employment due to Disability. Disability payments will be made on a monthly basis and will commence on the first day of the month following the effective date of Executive's termination of employment for Disability and end on the earlier of: (A) the date he returns to full-time employment at the Bank in the same capacity as he was employed prior to his termination for Disability; (B) his death; (C) upon attainment of age 65; or (D) the date the Agreement would have expired had Executive's employment not terminated by reason of Disability. Such payments shall be reduced by the amount of any short- or long-term disability benefits payable to the Executive under any other disability programs sponsored by the Company and the Bank. In addition, during any period of Executive's Disability, Executive and his dependents shall, to the greatest extent possible, continue to be covered under all benefit plans (including, without limitation, retirement plans and medical, dental and life insurance plans) of the Company and the Bank, in which Executive participated prior to his Disability on the same terms as if Executive were actively employed by the Company and the Bank.

(d) Termination for Cause.

- (i) The Boards may, by written notice to the Executive in the form and manner specified in this paragraph, terminate his employment at any time, for "Cause". The Executive shall have no right to receive compensation or other benefits for any period after termination for Cause. Termination for "Cause" shall mean termination because of, in the good faith determination of the Boards, Executive's:
- (1) Personal dishonesty;
 - (2) Incompetence;
 - (3) Willful misconduct;
 - (4) Breach of fiduciary duty involving personal profit;
 - (5) Intentional failure to perform stated duties;
 - (6) Willful violation of any law, rule or regulation (other than traffic violations or similar offenses) or a final cease-and-desist order; or
 - (7) Material breach by Executive of any provision of this Agreement.
- (ii) Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for Cause by the Company and the Bank unless there shall have been delivered to Executive a copy of a resolution duly adopted at a meeting of such Boards where in the good faith opinion of the Boards, Executive was guilty of the conduct described above and specifying the particulars thereof.

- (e) Voluntary Termination by Executive. In addition to his other rights to terminate under this Agreement, Executive may voluntarily terminate employment during the term of this Agreement upon at least sixty (60) days prior written notice to the Boards, in which case Executive shall receive only his compensation, vested rights and employee benefits up to the date of his termination.
- (f) Without Cause or With Good Reason.
- (i) In addition to termination pursuant to Sections 11(a) through 11(e) the Boards, may, by written notice to Executive, immediately terminate his employment at any time for a reason other than Cause (a termination "Without Cause") and Executive may, by written notice to the Boards, terminate his employment under this Agreement for "Good Reason" as defined below (a termination "With Good Reason").
- (ii) Subject to Section 12 of this Agreement, in the event of termination under this Section 11(f), Executive shall be entitled to receive his base salary in effect as of his termination date for the remaining term of the Agreement paid in one lump sum within ten (10) calendar days of such termination. Also, in such event, Executive shall, for the remaining term of the Agreement, receive the benefits he would have received during the remaining term of the Agreement under any retirement programs (whether tax-qualified or non-qualified) in which Executive participated prior to his termination (with the amount of the benefits determined by reference to the benefits received by the Executive or accrued on his behalf under such programs during the twelve (12) months preceding his termination) and continue to participate in any benefit plans of the Company or the Bank that provide health (including medical and dental), or life insurance, or similar coverage upon terms no less favorable than the most favorable terms provided to senior executives of the Company and the Bank during such period. In the event that the Company and the Bank are unable to provide such coverage by reason of Executive no longer being an employee, the Company and the Bank shall provide Executive with comparable coverage on an individual policy basis.
- (iii) For the purposes of this Agreement "Good Reason" shall mean the occurrence of any of the following events without the Executive's consent:
- (1) The assignment to Executive of duties that constitute a material diminution of his authority, duties, or responsibilities (including reporting requirements);
 - (2) A material diminution in Executive's Base Salary;
 - (3) Relocation of Executive to a location outside a radius of 50 miles of the Company's corporate office; or

- (4) Any other action or inaction by the Company that constitutes a material breach of this Agreement;

provided, that within ninety (90) days after the initial existence of such event, the Company shall be given notice and an opportunity, not less than thirty (30) days, to effectuate a cure for such asserted "Good Reason" by Executive. Executive's resignation hereunder for Good Reason shall not occur later than one hundred fifty (150) days following the initial date on which the event Executive claims constitutes Good Reason occurred.

- (g) Continuing Covenant Not to Compete or Interfere with Relationships. Regardless of anything herein to the contrary, following a termination by the Company and the Bank or Executive pursuant to Section 11(f):

- (i) Executive's obligations under Section 10(c) of this Agreement will continue in effect; and
- (ii) During the period ending on the first anniversary of such termination, the Executive shall not serve as an officer, director or employee of any bank holding company, bank, savings bank, savings and loan holding company, or mortgage company (any of which, a "Financial Institution") which Financial Institution offers products or services competing with those offered by the Bank from any office within fifty (50) miles from the main office or any branch of the Bank and shall not interfere with the relationship of the Company and the Bank and any of its employees, agents, or representatives.

12. Termination in Connection with a Change in Control.

- (a) For purposes of this Agreement, a Change in Control means any of the following events:

- (i) Merger: The Company or the Bank merges into or consolidates with another corporation, or merges another corporation into the Company or the Bank, and as a result less than a majority of the combined voting power of the resulting corporation immediately after the merger or consolidation is held by persons who were stockholders of the Company immediately before the merger or consolidation.
- (ii) Acquisition of Significant Share Ownership: There is filed or required to be filed a report on Schedule 13D or another form or schedule (other than Schedule 13G) required under Sections 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended, if the schedule discloses that the filing person or persons acting in concert has or have become the beneficial owner of 25% or more of a class of the Company's voting securities, but this clause (ii) shall not apply to beneficial ownership of Company voting shares held in a fiduciary capacity by an entity of which the Company directly or indirectly beneficially owns 50% or more of its outstanding voting securities.

- (iii) Change in Board Composition: During any period of two consecutive years, individuals who constitute the Company's or the Bank's Board of Directors at the beginning of the two-year period cease for any reason to constitute at least a majority of the Company's or the Bank's Board of Directors; provided, however, that for purposes of this clause (iii), each director who is first elected by the board (or first nominated by the board for election by the stockholders) by a vote of at least two-thirds (2/3) of the directors who were directors at the beginning of the two-year period shall be deemed to have also been a director at the beginning of such period; or
- (iv) Sale of Assets: The Company or the Bank sells to a third party all or substantially all of its assets.
- (b) Termination. If within the period ending two (2) years after a Change in Control, (i) the Company or the Bank shall terminate the Executive's employment Without Cause, or (ii) Executive voluntarily terminates his employment With Good Reason, the Company or the Bank shall, within ten (10) calendar days of the termination of Executive's employment, make a lump-sum cash payment to him equal to three (3) times the Executive's average Annual Compensation over the five (5) most recently completed calendar years ending with the year immediately preceding the effective date of the Change in Control. In determining Executive's average Annual Compensation, Annual Compensation shall include base salary and any other taxable income (paid by the Company and the Bank), including but not limited to amounts related to the granting, vesting or exercise of restricted stock or stock option awards, commissions, bonuses (whether paid or accrued for the applicable period), as well as, retirement benefits, director or committee fees and fringe benefits paid or to be paid to Executive or paid for Executive's benefit during any such year, profit sharing, employee stock ownership plan and other retirement contributions or benefits, including to any tax-qualified plan or arrangement (whether or not taxable) made or accrued on behalf of Executive of such year. The cash payment made under this Section 12(b) shall be made in lieu of any payment also required under Section 11(f) of this Agreement because of a termination in such period. Executive's rights under Section 11(f) are not otherwise affected by this Section 12. Also, in such event, the Executive shall, for a thirty-six (36) month period following his termination of employment, receive the benefits he would have received over such period under any retirement programs (whether tax-qualified or nonqualified) in which the Executive participated prior to his termination (with the amount of the benefits determined by reference to the benefits received by the Executive or accrued on his behalf under such programs during the twelve (12) months preceding the Change in Control) and continue to participate in any benefit plans of the Company and the Bank that provide health (including medical and dental), or life insurance, or similar coverage upon terms no less favorable than the most favorable terms provided to senior executives of the Bank during such period.

- (c) The provisions of Section 12 and Sections 14 through 27, including the defined terms used in such sections, shall continue in effect until the later of the expiration of this Agreement or two (2) years following a Change in Control.

13. Indemnification and Liability Insurance. Subject to and limited by Section 26(f) of this Agreement, the Bank and the Company shall provide the following:

- (a) Indemnification. The Company and the Bank agree to indemnify the Executive (and his heirs, executors, and administrators), and to advance expenses related thereto, to the fullest extent permitted under applicable law and regulations against any and all expenses and liabilities reasonably incurred by him in connection with or arising out of any action, suit, or proceeding in which he may be involved by reason of his having been a director or Executive of the Company, the Bank or any of their affiliates (whether or not he continues to be a director or Executive at the time of incurring any such expenses or liabilities) such expenses and liabilities to include, but not be limited to, judgments, court costs, and attorney's fees and the cost of reasonable settlements, such settlements to be approved by the Boards, if such action is brought against the Executive in his capacity as an Executive or director of the Company or the Bank or any of their subsidiaries. Indemnification for expense shall not extend to matters for which the Executive has been terminated for Cause. Nothing contained herein shall be deemed to provide indemnification prohibited by applicable law or regulation. Notwithstanding anything herein to the contrary, the obligations of this Section 13 shall survive the term of this Agreement by a period of six (6) years.
- (b) Insurance. During the period in which indemnification of the Executive is required under this Section, the Company and the Bank shall provide the Executive (and his heirs, executors, and administrators) with coverage under a directors' and Executives' liability policy at the expense of the Company and the Bank, at least equivalent to such coverage provided to directors and senior Executives of the Company and the Bank.

14. Reimbursement of Executive's Expenses to Enforce this Agreement. The Company and the Bank shall reimburse the Executive for all reasonable out-of-pocket expenses, including, without limitation, reasonable attorney's fees, incurred by the Executive in connection with successful enforcement by the Executive of the obligations of the Company and the Bank to the Executive under this Agreement. Successful enforcement shall mean the grant of an award of money or the requirement that the Company and the Bank take some action specified by this Agreement: (i) as a result of court order; or (ii) otherwise by the Company and the Bank following an initial failure of the Company and the Bank to pay such money or take such action promptly after written demand therefor from the Executive stating the reason that such money or action was due under this Agreement at or prior to the time of such demand.

15. Limitation of Benefits under Certain Circumstances. If the payments and benefits pursuant to Section 12 of this Agreement, either alone or together with other payments and benefits which the Executive has the right to receive from the Company and the Bank, would constitute a “parachute payment” under Section 280G of the Code, the payments and benefits pursuant to Section 12 shall be reduced or revised, in the manner determined by the Executive, by the amount, if any, which is the minimum necessary to result in no portion of the payments and benefits under Section 12 being non-deductible to the Company and the Bank pursuant to Section 280G of the Code and subject to the excise tax imposed under Section 4999 of the Code. The determination of any reduction in the payments and benefits to be made pursuant to Section 12 shall be based upon the opinion of the Company and the Bank’s independent public accountants and paid for by the Company and the Bank. In the event that the Company, the Bank and/or the Executive do not agree with the opinion of such counsel, (i) the Company and the Bank shall pay to the Executive the maximum amount of payments and benefits pursuant to Section 12, as selected by the Executive, which such opinion indicates there is a high probability of such payments and benefits being deductible to the Company and the Bank and not subject to the imposition of the excise tax imposed under Section 4999 of the Code and (ii) the Company and the Bank may request, and the Executive shall have the right to demand that they request, a ruling from the IRS as to whether the disputed payments and benefits pursuant to Section 12 have such consequences. Any such request for a ruling from the IRS shall be promptly prepared and filed by the Company and the Bank, but in no event later than thirty (30) days from the date of the opinion of counsel referred to above, and shall be subject to the Executive’s approval prior to filing, which shall not be unreasonably withheld. The Company, the Bank and the Executive agree to be bound by any ruling received from the IRS and to make appropriate payments to each other to reflect any such rulings, together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

16. Injunctive Relief. If there is a breach or threatened breach of Section 11(g) of this Agreement or the prohibitions upon disclosure contained in Section 10(c) of this Agreement, the parties agree that there is no adequate remedy at law for such breach, and that the Company and the Bank shall be entitled to injunctive relief restraining the Executive from such breach or threatened breach, but such relief shall not be the exclusive remedy hereunder for such breach. The parties hereto likewise agree that the Executive, without limitation, shall be entitled to injunctive relief to enforce the obligations of the Company and the Bank under this Agreement.

17. Successors and Assigns.

- (a) This Agreement shall inure to the benefit of and be binding upon any corporate or other successor of the Company and the Bank which shall acquire, directly or indirectly, by merger, consolidation, purchase or otherwise, all or substantially all of the assets or stock of the Company and the Bank.
- (b) Since the Company and the Bank are contracting for the unique and personal skills of Executive, Executive shall be precluded from assigning or delegating his rights or duties hereunder without first obtaining the written consent of the Company and the Bank.

18. No Mitigation. Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and no such payment shall be offset or reduced by the amount of any compensation or benefits provided to Executive in any subsequent employment.

19. Notices. All notices, requests, demands and other communications in connection with this Agreement shall be made in writing and shall be deemed to have been given when delivered by hand or 48 hours after mailing at any general or branch United States Post Office, by registered or certified mail, postage prepaid, addressed to the Company and/or the Bank at their principal business offices and to Executive at his home address as maintained in the records of the Company and the Bank.

20. No Plan Created by this Agreement. Executive, the Company and the Bank expressly declare and agree that this Agreement was negotiated among them and that no provision or provisions of this Agreement are intended to, or shall be deemed to, create any plan for purposes of the Employee Retirement Income Security Act or any other law or regulation, and each party expressly waives any right to assert the contrary. Any assertion in any judicial or administrative filing, hearing, or process that such a plan was so created by this Agreement shall be deemed a material breach of this Agreement by the party making such an assertion.

21. Amendments. No amendments or additions to this Agreement shall be binding unless made in writing and signed by all of the parties, except as herein otherwise specifically provided.

22. Applicable Law. Except to the extent preempted by Federal law, the laws of the State of Missouri shall govern this Agreement in all respects, whether as to its validity, construction, capacity, performance or otherwise.

23. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

24. Headings. Headings contained herein are for convenience of reference only.

25. **Entire Agreement.** This Agreement, together with any understanding or modifications thereof as agreed to in writing by the parties, shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, other than written agreements with respect to specific plans, programs or arrangements described in Sections 5 and 6.

26. **Required Provisions.** In the event any of the foregoing provisions of this Section 26 are in conflict with the terms of this Agreement, this Section 26 shall prevail.

- (a) The Bank's board of directors may terminate Executive's employment at any time, but any termination by the Bank, other than termination for Cause, shall not prejudice Executive's right to compensation or other benefits under this Agreement. Executive shall not have the right to receive compensation or other benefits for any period after termination for Cause as defined in Section 11(d) hereinabove.
- (b) If Executive is suspended from office and/or temporarily prohibited from participating in the conduct of the Bank's affairs by a notice served under Section 8(e)(3) or 8(g)(1) of the Federal Deposit Insurance Act, 12 U.S.C. §1818(e)(3) or (g)(1); the Bank's obligations under this contract shall be suspended as of the date of service, unless stayed by appropriate proceedings. If the charges in the notice are dismissed, the Bank may in its discretion: (i) pay Executive all or part of the compensation withheld while their contract obligations were suspended; and (ii) reinstate (in whole or in part) any of the obligations which were suspended.
- (c) If Executive is removed and/or permanently prohibited from participating in the conduct of the Bank's affairs by an order issued under Section 8(e)(4) or 8(g)(1) of the Federal Deposit Insurance Act, 12 U.S.C. §1818(e)(4) or (g)(1), all obligations of the Bank under this contract shall terminate as of the effective date of the order, but vested rights of the contracting parties shall not be affected.
- (d) If the Bank is in default as defined in Section 3(x)(1) of the Federal Deposit Insurance Act, 12 U.S.C. §1813(x)(1) all obligations of the Bank under this contract shall terminate as of the date of default, but this paragraph shall not affect any vested rights of the contracting parties.
- (e) All obligations under this contract shall be terminated, except to the extent determined that continuation of the contract is necessary for the continued operation of the Bank: (i) by the Director of the OTS (or his designee), at the time the FDIC enters into an agreement to provide assistance to or on behalf of the Bank under the authority contained in Section 13(c) of the Federal Deposit Insurance Act, 12 U.S.C. §1823(c); or (ii) by the Director of the OTS (or his designee) at the time the Director (or his designee) approves a supervisory merger to resolve problems related to the operations of the Bank or when the Bank is determined by the Director to be in an unsafe or unsound condition. Any rights of the parties that have already vested, however, shall not be affected by such action.

- (f) Any payments made to employees pursuant to this Agreement, or otherwise, are subject to and conditioned upon their compliance with 12 U.S.C. §1828(k) and FDIC regulation 12 C.F.R. Part 359, Golden Parachute and Indemnification Payments.

27. Section 409A of the Code.

(a) This Agreement is intended to comply with the requirements of Section 409A of the Code, and specifically, with the "short-term deferral exception" under Treasury Regulation Section 1.409A-1(b)(4) and the "separation pay exception" under Treasury Regulation Section 1.409A-1(b)(9)(iii), and shall in all respects be administered in accordance with Section 409A of the Code. If any payment or benefit hereunder cannot be provided or made at the time specified herein without incurring sanctions on Executive under Section 409A of the Code, then such payment or benefit shall be provided in full at the earliest time thereafter when such sanctions will not be imposed. For purposes of Section 409A of the Code, all payments to be made upon a termination of employment under this Agreement may only be made upon a "separation from service" (within the meaning of such term under Section 409A of the Code), each payment made under this Agreement shall be treated as a separate payment, the right to a series of installment payments under this Agreement (if any) is to be treated as a right to a series of separate payments, and if a payment is not made by the designated payment date under this Agreement, the payment shall be made by December 31 of the calendar year in which the designated date occurs. To the extent that any payment provided for hereunder would be subject to additional tax under Section 409A of the Code, or would cause the administration of this Agreement to fail to satisfy the requirements of Section 409A of the Code, such provision shall be deemed null and void to the extent permitted by applicable law, and any such amount shall be payable in accordance with b. below. In no event shall Executive, directly or indirectly, designate the calendar year of payment.

(b) If when separation from service occurs Executive is a "specified employee" within the meaning of Section 409A of the Code, and if the cash severance payment under Section 11(f)(i) or 12(b) of this Agreement would be considered deferred compensation under Section 409A of the Code, and, finally, if an exemption from the six-month delay requirement of Section 409A(a)(2)(B)(i) of the Code is not available (i.e., the "short-term deferral exception" under Treasury Regulations Section 1.409A-1(b)(4) or the "separation pay exception" under Treasury Section 1.409A-1(b)(9)(iii)), the Bank will make the maximum severance payment possible in order to comply with an exception from the six month requirement and make any remaining severance payment under Section 11(f)(i) or 12(b) of this Agreement to Executive in a single lump sum without interest on the first payroll date that occurs after the date that is six (6) months after the date on which Executive separates from service.

(c) If (x) under the terms of the applicable policy or policies for the insurance or other benefits specified in Section 11(f)(ii) or 12(b) of this Agreement it is not possible to continue coverage for Executive and his dependents, or (y) when a separation from service occurs Executive is a "specified employee" within the meaning of Section 409A of the Code, and if any of the continued insurance coverage or other benefits specified in Section 11(f)(ii) or 12(b) of this Agreement would be considered deferred compensation under Section 409A of the Code, and, finally, if an exemption from the six-month delay requirement of Section 409A(a)(2)(B)(i) of the Code is not available for that particular insurance or other benefit, the Bank shall pay to Executive in a single lump sum an amount in cash equal to the present value of the Bank's projected cost to maintain that particular insurance benefit (and associated income tax gross-up benefit, if applicable) had Executive's employment not terminated, assuming continued coverage for 36 months. The lump-sum payment shall be made thirty (30) days after employment termination or, if Section 27(b) applies, on the first payroll date that occurs after the date that is six (6) months after the date on which Executive separates from service.

(d) References in this Agreement to Section 409A of the Code include rules, regulations, and guidance of general application issued by the Department of the Treasury under Internal Revenue Section 409A of the Code.

IN WITNESS WHEREOF, the parties hereto have executed this amended and restated Agreement on December 17, 2008.

Attest:

/s/ Cathy Trusler

Attest:

/s/ Cathy Trusler

Witness:

/s/ Cathy Trusler

LIBERTY BANCORP, INC.

By: /s/ Daniel G. O'Dell

BANKLIBERTY

By: /s/ Daniel G. O'Dell

EXECUTIVE

By: /s/ Brent Giles
Brent Giles

**AMENDED AND RESTATED
BANKLIBERTY
TWO-YEAR CHANGE IN CONTROL AGREEMENT**

This **AGREEMENT** originally entered into as of July 21, 2006 ("Agreement"), by and between **BANKLIBERTY** (the "Bank"), a federally chartered financial institution, with its principal offices at 16 West Franklin Street, Liberty, Missouri 64068, **MARK E. HECKER** ("Executive") and **LIBERTY BANCORP, INC.** (the "Company"), a Missouri-chartered corporation and the holding company of the Bank, as guarantor is amended and restated in its entirety as of December 17, 2008.

WHEREAS, the Bank continues to recognize the importance of Executive to the Bank's operations and wishes to protect his position with the Bank in the event of a change in control of the Bank or the Company for the period provided for in this Agreement; and

WHEREAS, Executive and the Board of Directors of the Bank desire to enter into an amended and restated agreement setting forth the terms and conditions of payments due to Executive in the event of a change in control and the related rights and obligations of each of the parties and to bring the Agreement into compliance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations and guidance issued with respect to Section 409A of the Code.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, it is hereby agreed as follows:

1. Term of Agreement.

(a) The term of this Agreement shall be (i) the initial term, consisting of the period commencing on July 21, 2006 (the "Effective Date") and ending on July 21, 2008, plus (ii) any and all extensions of the initial term made pursuant to Section 1(b) of this Agreement.

(b) Commencing on the first anniversary of the Effective Date and continuing each anniversary date thereafter, the Board of Directors of the Bank (the "Board of Directors") may extend the term of this Agreement for an additional one (1) year period beyond the then effective expiration date, provided that Executive shall not have given at least sixty (60) days' written notice of his desire that the term not be extended. As of the date of this restatement the term of the Agreement had been extended to December 17, 2010.

(c) Notwithstanding anything in this Section to the contrary, this Agreement shall terminate if Executive or the Bank terminates Executive's employment prior to a Change in Control.

2. Change in Control.

(a) Upon the occurrence of a Change in Control of the Company followed at any time during the term of this Agreement by the termination of Executive's employment in accordance with the terms of this Agreement, other than for Cause, as defined in Section 2(c) of this Agreement, the provisions of Section 3 of this Agreement shall apply. Upon the occurrence of a Change in Control, Executive shall have the right to elect to voluntarily terminate his employment at any time during the term of this Agreement for "Good Reason."

For purposes of this Section 2, "Good Reason" shall mean the occurrence of any of the following events without the Executive's consent:

- (i) The assignment to Executive of duties that constitute a material diminution of his authority, duties, or responsibilities (including reporting requirements);
- (ii) A material diminution in Executive's base salary;
- (iii) Relocation of Executive to a location outside a radius of 50 miles of the Company's corporate office; or
- (iv) Any other action or inaction by the Company that constitutes a material breach of this Agreement;

provided, that within ninety (90) days after the initial existence of such event, the Company shall be given notice and an opportunity, not less than thirty (30) days, to effectuate a cure for such asserted "Good Reason" by Executive. Executive's resignation hereunder for Good Reason shall not occur later than one hundred fifty (150) days following the initial date on which the event Executive claims constitutes Good Reason occurred.

(b) For purposes of this Agreement, a "Change in Control" shall be deemed to occur on the earliest of:

- (i) Merger: The Company or the Bank merges into or consolidates with another corporation, or merges another corporation into the Company or the Bank, and as a result less than a majority of the combined voting power of the resulting corporation immediately after the merger or consolidation is held by persons who were stockholders of the Company immediately before the merger or consolidation.

- (ii) Acquisition of Significant Share Ownership: There is filed or required to be filed a report on Schedule 13D or another form or schedule (other than Schedule 13G) required under Sections 13(d) or 14(d) of the Securities Exchange Act of 1934, if the schedule discloses that the filing person or persons acting in concert has or have become the beneficial owner of 25% or more of a class of the Company's voting securities, but this clause (ii) shall not apply to beneficial ownership of Company voting shares held in a fiduciary capacity by an entity of which the Company directly or indirectly beneficially owns 50% or more of its outstanding voting securities.

- (iii) Change in Board Composition: During any period of two consecutive years, individuals who constitute the Bank's or the Company's Board of Directors at the beginning of the two-year period cease for any reason to constitute at least a majority of the Company's or the Bank's Board of Directors; provided, however, that for purposes of this clause (iii), each director who is first elected by the board (or first nominated by the board for election by the stockholders) by a vote of at least two-thirds (2/3) of the directors who were directors at the beginning of the two-year period shall be deemed to have also been a director at the beginning of such period; or

- (iv) Sale of Assets: The Company or the Bank sells to a third party all or substantially all of its assets.

(c) Executive shall not have the right to receive termination benefits pursuant to Section 3 hereof upon termination for Cause. The term "Cause" shall mean termination because of Executive's personal dishonesty, incompetence, willful misconduct, any breach of fiduciary duty involving personal profit, intentional failure to perform stated duties, willful violation of any law, rule, regulation (other than traffic violations or similar offenses), final cease and desist order, or any material breach of any provision of this Agreement. Executive shall not have the right to receive compensation or other benefits for any period after termination for Cause. During the period beginning on the date of the Notice of Termination for Cause pursuant to Section 4 hereof through the Date of Termination, stock options granted to Executive under any stock option plan shall not be exercisable nor shall any unvested stock awards granted to Executive under any stock benefit plan of the Bank, the Company or any subsidiary or affiliate thereof, vest. At the Date of Termination, such stock options and any such unvested stock awards shall become null and void and shall not be exercisable by or delivered to Executive at any time subsequent to such termination for Cause.

3. Termination Benefits.

(a) If Executive's employment is voluntarily (in accordance with Section 2(a) of this Agreement) or involuntarily terminated within two (2) years of a Change in Control, Executive shall receive:

- (i) a lump sum cash payment equal to two (2) times the Executive's "base amount," within the meaning of Section 280G(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). Such payment shall be made not later than five (5) days following Executive's termination of employment and shall be reduced, if necessary, to avoid an excess parachute payment as noted in paragraph (b) under this Section 3.
- (ii) Continued benefit coverage under all Association health and welfare plans which Executive participated in as of the date of the Change in Control (collectively, the "Employee Benefit Plans") for a period of 24 months following Executive's termination of employment. Said coverage shall be provided under the same terms and conditions in effect on the date of Executive's termination of employment. Solely for purposes of benefits continuation under the Employee Benefit Plans, Executive shall be deemed to be an active employee.

(b) Notwithstanding the preceding provisions of this Section 3, in no event shall the aggregate payments or benefits to be made or afforded to Executive under said paragraphs or otherwise (the "Termination Benefits") constitute an "excess parachute payment" under Section 280G of the Code or any successor thereto, and to avoid such a result, Termination Benefits will be reduced, if necessary, to an amount (the "Non-Triggering Amount"), the value of which is one dollar (\$1.00) less than an amount equal to three (3) times Executive's "base amount," as determined in accordance with said Section 280G. The allocation of the reduction required hereby among the Termination Benefits provided by this Section 3 shall be determined by Executive.

4. Notice of Termination.

(a) Any purported termination by the Bank or by Executive shall be communicated by Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

(b) "Date of Termination" shall mean the date specified in the Notice of Termination (which, in the case of a termination for Cause, shall not be less than thirty (30) days from the date such Notice of Termination is given).

5. Source of Payments.

All payments provided in this Agreement shall be timely paid in cash or check from the general funds of the Bank. The Company, however, unconditionally guarantees payment and provision of all amounts and benefits due hereunder to Executive and, if such amounts and benefits due from the Bank are not timely paid or provided by the Bank, such amounts and benefits shall be paid or provided by the Company.

6. Effect on Prior Agreements and Existing Benefit Plans.

This Agreement contains the entire understanding between the parties hereto and supersedes any prior agreement between the Bank and Executive, except that this Agreement shall not affect or operate to reduce any benefit or compensation inuring to Executive of a kind elsewhere provided. No provision of this Agreement shall be interpreted to mean that Executive is subject to receiving fewer benefits than those available to him without reference to this Agreement. Nothing in this Agreement shall confer upon Executive the right to continue in the employ of the Bank or shall impose on the Bank any obligation to employ or retain Executive in its employ for any period.

7. No Attachment.

(a) Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to execution, attachment, levy or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to affect any such action shall be null, void and of no effect.

(b) This Agreement shall be binding upon, and inure to the benefit of, Executive, the Bank and their respective successors and assigns.

8. Modification and Waiver.

(a) This Agreement may not be modified or amended except by an instrument in writing signed by the parties hereto.

(b) No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel against the enforcement of any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

9. Severability.

If, for any reason, any provision of this Agreement, or any part of any provision, is held invalid, such invalidity shall not affect any other provision of this Agreement or any part of such provision not held so invalid, and each such other provision and part thereof shall to the full extent consistent with law continue in full force and effect.

10. Headings for Reference Only.

The headings of sections and paragraphs herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement. In addition, references herein to the masculine shall apply to both the masculine and the feminine.

11. Governing Law.

Except to the extent preempted by federal law, the validity, interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Missouri, without regard to principles of conflicts of law of that State.

12. Arbitration.

Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration, conducted before a panel of three arbitrators sitting in a location selected by Executive within fifty (50) miles from the location of the Bank, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction; provided, however, that Executive shall be entitled to seek specific performance of his right to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement.

13. Payment of Legal Fees.

All reasonable legal fees paid or incurred by Executive pursuant to any dispute or question of interpretation relating to this Agreement shall be paid or reimbursed by the Bank, only if Executive is successful pursuant to a legal judgment, arbitration or settlement.

14. Indemnification.

The Company or the Bank shall provide Executive (including his heirs, executors and administrators) with coverage under a standard directors' and officers' liability insurance policy at its expense and shall indemnify Executive (and his heirs, executors and administrators) to the fullest extent permitted under applicable law against all expenses and liabilities reasonably incurred by him in connection with or arising out of any action, suit or proceeding in which he may be involved by reason of his having been a director or officer of the Company or the Bank (whether or not he continues to be a director or officer at the time of incurring such expenses or liabilities), such expenses and liabilities to include, but not be limited to, judgments, court costs, attorneys' fees and the cost of reasonable settlements.

15. Successors to the Bank and the Company.

The Bank and the Company shall require any successor or assignee, whether direct or indirect, by purchase, merger, consolidation or otherwise, to all or substantially all of the business or assets of the Bank or the Company, expressly and unconditionally to assume and agree to perform the Bank's and the Company's obligations under this Agreement, in the same manner and to the same extent that the Bank and the Company would be required to perform if no such succession or assignment had taken place.

16. Required Provisions. In the event any of the foregoing provisions of this Section 16 are in conflict with the terms of this Agreement, this Section 16 shall prevail.

(a) The Bank's board of directors may terminate Executive's employment at any time, but any termination by the Bank, other than Termination for Cause, shall not prejudice Executive's right to compensation or other benefits under this Agreement. Executive shall not have the right to receive compensation or other benefits for any period after termination for Cause as defined in Section 2(c) hereinabove.

(b) If Executive is suspended from office and/or temporarily prohibited from participating in the conduct of the Bank's affairs by a notice served under Section 8(e)(3) or 8(g)(1) of the Federal Deposit Insurance Act, 12 U.S.C. §1818(e)(3) or (g)(1); the Bank's obligations under this contract shall be suspended as of the date of service, unless stayed by appropriate proceedings. If the charges in the notice are dismissed, the Bank may in its discretion: (i) pay Executive all or part of the compensation withheld while their contract obligations were suspended; and (ii) reinstate (in whole or in part) any of the obligations which were suspended.

(c) If Executive is removed and/or permanently prohibited from participating in the conduct of the Bank's affairs by an order issued under Section 8(e)(4) or 8(g)(1) of the Federal Deposit Insurance Act, 12 U.S.C. §1818(e)(4) or (g)(1), all obligations of the Bank under this contract shall terminate as of the effective date of the order, but vested rights of the contracting parties shall not be affected.

(d) If the Bank is in default as defined in Section 3(x)(1) of the Federal Deposit Insurance Act, 12 U.S.C. §1813(x)(1) all obligations of the Bank under this contract shall terminate as of the date of default, but this paragraph shall not affect any vested rights of the contracting parties.

(e) All obligations under this contract shall be terminated, except to the extent determined that continuation of the contract is necessary for the continued operation of the Bank: (i) by the Director of the OTS (or his designee), at the time the FDIC enters into an agreement to provide assistance to or on behalf of the Bank under the authority contained in Section 13(c) of the Federal Deposit Insurance Act, 12 U.S.C. §1823(c); or (ii) by the Director of the OTS (or his designee) at the time the Director (or his designee) approves a supervisory merger to resolve problems related to the operations of the Bank or when the Bank is determined by the Director to be in an unsafe or unsound condition. Any rights of the parties that have already vested, however, shall not be affected by such action.

(f) Any payments made to employees pursuant to this Agreement, or otherwise, are subject to and conditioned upon their compliance with 12 U.S.C. §1828(k) and FDIC regulation 12 C.F.R. Part 359, Golden Parachute and Indemnification Payments.

17. Section 409A of the Code.

(a) This Agreement is intended to comply with the requirements of Section 409A of the Code, and specifically, with the "short-term deferral exception" under Treasury Regulation Section 1.409A-1(b)(4) and the "separation pay exception" under Treasury Regulation Section 1.409A-1(b)(9)(iii), and shall in all respects be administered in accordance with Section 409A of the Code. If any payment or benefit hereunder cannot be provided or made at the time specified herein without incurring sanctions on Executive under Section 409A of the Code, then such payment or benefit shall be provided in full at the earliest time thereafter when such sanctions will not be imposed. For purposes of Section 409A of the Code, all payments to be made upon a termination of employment under this Agreement may only be made upon a "separation from service" (within the meaning of such term under Section 409A of the Code), each payment made under this Agreement shall be treated as a separate payment, the right to a series of installment payments under this Agreement (if any) is to be treated as a right to a series of separate payments, and if a payment is not made by the designated payment date under this Agreement, the payment shall be made by December 31 of the calendar year in which the designated date occurs. To the extent that any payment provided for hereunder would be subject to additional tax under Section 409A of the Code, or would cause the administration of this Agreement to fail to satisfy the requirements of Section 409A of the Code, such provision shall be deemed null and void to the extent permitted by applicable law, and any such amount shall be payable in accordance with b. below. In no event shall Executive, directly or indirectly, designate the calendar year of payment.

(b) If when separation from service occurs Executive is a "specified employee" within the meaning of Section 409A of the Code, and if the cash severance payment under Section 3(a)i. of this Agreement would be considered deferred compensation under Section 409A of the Code, and, finally, if an exemption from the six-month delay requirement of Section 409A(a)(2)(B)(i) of the Code is not available (i.e., the "short-term deferral exception" under Treasury Regulations Section 1.409A-1(b)(4) or the "separation pay exception" under Treasury Section 1.409A-1(b)(9)(iii)), the Bank will make the maximum severance payment possible in order to comply with an exception from the six month requirement and make any remaining severance payment under Section 3(a)i. of this Agreement to Executive in a single lump sum without interest on the first payroll date that occurs after the date that is six (6) months after the date on which Executive separates from service.

(c) If (x) under the terms of the applicable policy or policies for the insurance or other benefits specified in Section 3(a)ii. of this Agreement it is not possible to continue coverage for Executive and him dependents, or (y) when a separation from service occurs Executive is a "specified employee" within the meaning of Section 409A of the Code, and if any of the continued insurance coverage or other benefits specified in Section 3(a)ii. of this Agreement would be considered deferred compensation under Section 409A of the Code, and, finally, if an exemption from the six-month delay requirement of Section 409A(a)(2)(B)(i) of the Code is not available for that particular insurance or other benefit, the Bank shall pay to Executive in a single lump sum an amount in cash equal to the present value of the Bank's projected cost to maintain that particular insurance benefit (and associated income tax gross-up benefit, if applicable) had Executive's employment not terminated, assuming continued coverage for 24 months. The lump-sum payment shall be made thirty (30) days after employment termination or, if Section 17(b) applies, on the first payroll date that occurs after the date that is six (6) months after the date on which Executive separates from service.

(d) References in this Agreement to Section 409A of the Code include rules, regulations, and guidance of general application issued by the Department of the Treasury under Internal Revenue Section 409A of the Code.

SIGNATURES

IN WITNESS WHEREOF, BankLiberty and Liberty Bancorp, Inc. have caused this amended and restated Agreement to be executed and their seals to be affixed hereunto by their duly authorized officers, and Executive has signed this Agreement, on December 17, 2008.

ATTEST:

/s/ Cathy Trusler
Corporate Secretary

ATTEST:

/s/ Cathy Trusler
Corporate Secretary

[SEAL]

WITNESS:

/s/ Cathy Trusler
Corporate Secretary

BANKLIBERTY

By: /s/ Daniel G. O'Dell
For the Entire Board of Directors

LIBERTY BANCORP, INC.
(Guarantor)

By: /s/ Daniel G. O'Dell
For the Entire Board of Directors

EXECUTIVE

/s/ Mark E. Hecker
Mark E. Hecker

**AMENDED AND RESTATED
BANKLIBERTY
TWO-YEAR CHANGE IN CONTROL AGREEMENT**

This **AGREEMENT** originally entered into as of July 21, 2006 ("Agreement"), by and between **BANKLIBERTY** (the "Bank"), a federally chartered financial institution, with its principal offices at 16 West Franklin Street, Liberty, Missouri 64068, **MARC J. WEISHAAR** ("Executive") and **LIBERTY BANCORP, INC.** (the "Company"), a Missouri-chartered corporation and the holding company of the Bank, as guarantor is amended and restated in its entirety as of December 17, 2008.

WHEREAS, the Bank continues to recognize the importance of Executive to the Bank's operations and wishes to protect his position with the Bank in the event of a change in control of the Bank or the Company for the period provided for in this Agreement; and

WHEREAS, Executive and the Board of Directors of the Bank desire to enter into an amended and restated agreement setting forth the terms and conditions of payments due to Executive in the event of a change in control and the related rights and obligations of each of the parties and to bring the Agreement into compliance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations and guidance issued with respect to Section 409A of the Code.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, it is hereby agreed as follows:

1. Term of Agreement.

(a) The term of this Agreement shall be (i) the initial term, consisting of the period commencing on July 21, 2006 (the "Effective Date") and ending on July 21, 2008, plus (ii) any and all extensions of the initial term made pursuant to Section 1(b) of this Agreement.

(b) Commencing on the first anniversary of the Effective Date and continuing each anniversary date thereafter, the Board of Directors of the Bank (the "Board of Directors") may extend the term of this Agreement for an additional one (1) year period beyond the then effective expiration date, provided that Executive shall not have given at least sixty (60) days' written notice of his desire that the term not be extended. As of the date of this restatement the term of this Agreement had been extended to December 17, 2010.

(c) Notwithstanding anything in this Section to the contrary, this Agreement shall terminate if Executive or the Bank terminates Executive's employment prior to a Change in Control.

2. Change in Control.

(a) Upon the occurrence of a Change in Control of the Company followed at any time during the term of this Agreement by the termination of Executive's employment in accordance with the terms of this Agreement, other than for Cause, as defined in Section 2(c) of this Agreement, the provisions of Section 3 of this Agreement shall apply. Upon the occurrence of a Change in Control, Executive shall have the right to elect to voluntarily terminate his employment at any time during the term of this Agreement following an event constituting "Good Reason."

For purposes of this Section 2, "Good Reason" shall mean the occurrence of any of the following events without the Executive's consent:

- (i) The assignment to Executive of duties that constitute a material diminution of his authority, duties, or responsibilities (including reporting requirements);
- (ii) A material diminution in Executive's base salary;
- (iii) Relocation of Executive to a location outside a radius of 50 miles of the Company's corporate office; or
- (iv) Any other action or inaction by the Company that constitutes a material breach of this Agreement;

provided, that within ninety (90) days after the initial existence of such event, the Company shall be given notice and an opportunity, not less than thirty (30) days, to effectuate a cure for such asserted "Good Reason" by Executive. Executive's resignation hereunder for Good Reason shall not occur later than one hundred fifty (150) days following the initial date on which the event Executive claims constitutes Good Reason occurred.

(b) For purposes of this Agreement, a "Change in Control" shall be deemed to occur on the earliest of:

- (i) Merger: The Company or the Bank merges into or consolidates with another corporation, or merges another corporation into the Company or the Bank, and as a result less than a majority of the combined voting power of the resulting corporation immediately after the merger or consolidation is held by persons who were stockholders of the Company immediately before the merger or consolidation.

- (ii) Acquisition of Significant Share Ownership: There is filed or required to be filed a report on Schedule 13D or another form or schedule (other than Schedule 13G) required under Sections 13(d) or 14(d) of the Securities Exchange Act of 1934, if the schedule discloses that the filing person or persons acting in concert has or have become the beneficial owner of 25% or more of a class of the Company's voting securities, but this clause (ii) shall not apply to beneficial ownership of Company voting shares held in a fiduciary capacity by an entity of which the Company directly or indirectly beneficially owns 50% or more of its outstanding voting securities.
- (iii) Change in Board Composition: During any period of two consecutive years, individuals who constitute the Bank's or the Company's Board of Directors at the beginning of the two-year period cease for any reason to constitute at least a majority of the Company's or the Bank's Board of Directors; provided, however, that for purposes of this clause (iii), each director who is first elected by the board (or first nominated by the board for election by the stockholders) by a vote of at least two-thirds (2/3) of the directors who were directors at the beginning of the two-year period shall be deemed to have also been a director at the beginning of such period; or
- (iv) Sale of Assets: The Company or the Bank sells to a third party all or substantially all of its assets.

(c) Executive shall not have the right to receive termination benefits pursuant to Section 3 hereof upon termination for Cause. The term "Cause" shall mean termination because of Executive's personal dishonesty, incompetence, willful misconduct, any breach of fiduciary duty involving personal profit, intentional failure to perform stated duties, willful violation of any law, rule, regulation (other than traffic violations or similar offenses), final cease and desist order, or any material breach of any provision of this Agreement. Executive shall not have the right to receive compensation or other benefits for any period after termination for Cause. During the period beginning on the date of the Notice of Termination for Cause pursuant to Section 4 hereof through the Date of Termination, stock options granted to Executive under any stock option plan shall not be exercisable nor shall any unvested stock awards granted to Executive under any stock benefit plan of the Bank, the Company or any subsidiary or affiliate thereof, vest. At the Date of Termination, such stock options and any such unvested stock awards shall become null and void and shall not be exercisable by or delivered to Executive at any time subsequent to such termination for Cause.

3. Termination Benefits.

(a) If Executive's employment is voluntarily (in accordance with Section 2(a) of this Agreement) or involuntarily terminated within two (2) years of a Change in Control, Executive shall receive:

- (i) a lump sum cash payment equal to two (2) times the Executive's "base amount," within the meaning of Section 280G(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). Such payment shall be made not later than five (5) days following Executive's termination of employment and shall be reduced, if necessary, to avoid an excess parachute payment as noted in paragraph (b) under this Section 3.
- (ii) Continued benefit coverage under all Association health and welfare plans which Executive participated in as of the date of the Change in Control (collectively, the "Employee Benefit Plans") for a period of 24 months following Executive's termination of employment. Said coverage shall be provided under the same terms and conditions in effect on the date of Executive's termination of employment. Solely for purposes of benefits continuation under the Employee Benefit Plans, Executive shall be deemed to be an active employee.

(b) Notwithstanding the preceding provisions of this Section 3, in no event shall the aggregate payments or benefits to be made or afforded to Executive under said paragraphs or otherwise (the "Termination Benefits") constitute an "excess parachute payment" under Section 280G of the Code or any successor thereto, and to avoid such a result, Termination Benefits will be reduced, if necessary, to an amount (the "Non-Triggering Amount"), the value of which is one dollar (\$1.00) less than an amount equal to three (3) times Executive's "base amount," as determined in accordance with said Section 280G. The allocation of the reduction required hereby among the Termination Benefits provided by this Section 3 shall be determined by Executive.

4. Notice of Termination.

(a) Any purported termination by the Bank or by Executive shall be communicated by Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

(b) "Date of Termination" shall mean the date specified in the Notice of Termination (which, in the case of a termination for Cause, shall not be less than thirty (30) days from the date such Notice of Termination is given).

5. Source of Payments.

All payments provided in this Agreement shall be timely paid in cash or check from the general funds of the Bank. The Company, however, unconditionally guarantees payment and provision of all amounts and benefits due hereunder to Executive and, if such amounts and benefits due from the Bank are not timely paid or provided by the Bank, such amounts and benefits shall be paid or provided by the Company.

6. Effect on Prior Agreements and Existing Benefit Plans.

This Agreement contains the entire understanding between the parties hereto and supersedes any prior agreement between the Bank and Executive, except that this Agreement shall not affect or operate to reduce any benefit or compensation inuring to Executive of a kind elsewhere provided. No provision of this Agreement shall be interpreted to mean that Executive is subject to receiving fewer benefits than those available to him without reference to this Agreement. Nothing in this Agreement shall confer upon Executive the right to continue in the employ of the Bank or shall impose on the Bank any obligation to employ or retain Executive in its employ for any period.

7. No Attachment.

(a) Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to execution, attachment, levy or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to affect any such action shall be null, void and of no effect.

(b) This Agreement shall be binding upon, and inure to the benefit of, Executive, the Bank and their respective successors and assigns.

8. Modification and Waiver.

(a) This Agreement may not be modified or amended except by an instrument in writing signed by the parties hereto.

(b) No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel against the enforcement of any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

9. Severability.

If, for any reason, any provision of this Agreement, or any part of any provision, is held invalid, such invalidity shall not affect any other provision of this Agreement or any part of such provision not held so invalid, and each such other provision and part thereof shall to the full extent consistent with law continue in full force and effect.

10. Headings for Reference Only.

The headings of sections and paragraphs herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement. In addition, references herein to the masculine shall apply to both the masculine and the feminine.

11. Governing Law.

Except to the extent preempted by federal law, the validity, interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Missouri, without regard to principles of conflicts of law of that State.

12. Arbitration.

Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration, conducted before a panel of three arbitrators sitting in a location selected by Executive within fifty (50) miles from the location of the Bank, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction; provided, however, that Executive shall be entitled to seek specific performance of his right to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement.

13. Payment of Legal Fees.

All reasonable legal fees paid or incurred by Executive pursuant to any dispute or question of interpretation relating to this Agreement shall be paid or reimbursed by the Bank, only if Executive is successful pursuant to a legal judgment, arbitration or settlement.

14. Indemnification.

The Company or the Bank shall provide Executive (including his heirs, executors and administrators) with coverage under a standard directors' and officers' liability insurance policy at its expense and shall indemnify Executive (and his heirs, executors and administrators) to the fullest extent permitted under applicable law against all expenses and liabilities reasonably incurred by him in connection with or arising out of any action, suit or proceeding in which he may be involved by reason of his having been a director or officer of the Company or the Bank (whether or not he continues to be a director or officer at the time of incurring such expenses or liabilities), such expenses and liabilities to include, but not be limited to, judgments, court costs, attorneys' fees and the cost of reasonable settlements.

15. Successors to the Bank and the Company.

The Bank and the Company shall require any successor or assignee, whether direct or indirect, by purchase, merger, consolidation or otherwise, to all or substantially all of the business or assets of the Bank or the Company, expressly and unconditionally to assume and agree to perform the Bank's and the Company's obligations under this Agreement, in the same manner and to the same extent that the Bank and the Company would be required to perform if no such succession or assignment had taken place.

16. Required Provisions. In the event any of the foregoing provisions of this Section 16 are in conflict with the terms of this Agreement, this Section 16 shall prevail.

(a) The Bank's board of directors may terminate Executive's employment at any time, but any termination by the Bank, other than Termination for Cause, shall not prejudice Executive's right to compensation or other benefits under this Agreement. Executive shall not have the right to receive compensation or other benefits for any period after Termination for Cause as defined in Section 4(b) hereinabove.

(b) If Executive is suspended from office and/or temporarily prohibited from participating in the conduct of the Bank's affairs by a notice served under Section 8(e)(3) or 8(g)(1) of the Federal Deposit Insurance Act, 12 U.S.C. §1818(e)(3) or (g)(1); the Bank's obligations under this contract shall be suspended as of the date of service, unless stayed by appropriate proceedings. If the charges in the notice are dismissed, the Bank may in its discretion: (i) pay Executive all or part of the compensation withheld while their contract obligations were suspended; and (ii) reinstate (in whole or in part) any of the obligations which were suspended.

(c) If Executive is removed and/or permanently prohibited from participating in the conduct of the Bank's affairs by an order issued under Section 8(e)(4) or 8(g)(1) of the Federal Deposit Insurance Act, 12 U.S.C. §1818(e)(4) or (g)(1), all obligations of the Bank under this contract shall terminate as of the effective date of the order, but vested rights of the contracting parties shall not be affected.

(d) If the Bank is in default as defined in Section 3(x)(1) of the Federal Deposit Insurance Act, 12 U.S.C. §1813(x)(1) all obligations of the Bank under this contract shall terminate as of the date of default, but this paragraph shall not affect any vested rights of the contracting parties.

(e) All obligations under this contract shall be terminated, except to the extent determined that continuation of the contract is necessary for the continued operation of the Bank: (i) by the Director of the OTS (or his designee), at the time the FDIC enters into an agreement to provide assistance to or on behalf of the Bank under the authority contained in Section 13(c) of the Federal Deposit Insurance Act, 12 U.S.C. §1823(c); or (ii) by the Director of the OTS (or his designee) at the time the Director (or his designee) approves a supervisory merger to resolve problems related to the operations of the Bank or when the Bank is determined by the Director to be in an unsafe or unsound condition. Any rights of the parties that have already vested, however, shall not be affected by such action.

(f) Any payments made to employees pursuant to this Agreement, or otherwise, are subject to and conditioned upon their compliance with 12 U.S.C. §1828(k) and FDIC regulation 12 C.F.R. Part 359, Golden Parachute and Indemnification Payments.

17. Section 409A of the Code.

(a) This Agreement is intended to comply with the requirements of Section 409A of the Code, and specifically, with the "short-term deferral exception" under Treasury Regulation Section 1.409A-1(b)(4) and the "separation pay exception" under Treasury Regulation Section 1.409A-1(b)(9)(iii), and shall in all respects be administered in accordance with Section 409A of the Code. If any payment or benefit hereunder cannot be provided or made at the time specified herein without incurring sanctions on Executive under Section 409A of the Code, then such payment or benefit shall be provided in full at the earliest time thereafter when such sanctions will not be imposed. For purposes of Section 409A of the Code, all payments to be made upon a termination of employment under this Agreement may only be made upon a "separation from service" (within the meaning of such term under Section 409A of the Code), each payment made under this Agreement shall be treated as a separate payment, the right to a series of installment payments under this Agreement (if any) is to be treated as a right to a series of separate payments, and if a payment is not made by the designated payment date under this Agreement, the payment shall be made by December 31 of the calendar year in which the designated date occurs. To the extent that any payment provided for hereunder would be subject to additional tax under Section 409A of the Code, or would cause the administration of this Agreement to fail to satisfy the requirements of Section 409A of the Code, such provision shall be deemed null and void to the extent permitted by applicable law, and any such amount shall be payable in accordance with b. below. In no event shall Executive, directly or indirectly, designate the calendar year of payment.

(b) If when separation from service occurs Executive is a "specified employee" within the meaning of Section 409A of the Code, and if the cash severance payment under Section 3(a)i. of this Agreement would be considered deferred compensation under Section 409A of the Code, and, finally, if an exemption from the six-month delay requirement of Section 409A(a)(2)(B)(i) of the Code is not available (i.e., the "short-term deferral exception" under Treasury Regulations Section 1.409A-1(b)(4) or the "separation pay exception" under Treasury Section 1.409A-1(b)(9)(iii)), the Bank will make the maximum severance payment possible in order to comply with an exception from the six month requirement and make any remaining severance payment under Section 3(a)i. of this Agreement to Executive in a single lump sum without interest on the first payroll date that occurs after the date that is six (6) months after the date on which Executive separates from service.

(c) If (x) under the terms of the applicable policy or policies for the insurance or other benefits specified in Section 3(a)ii. of this Agreement it is not possible to continue coverage for Executive and him dependents, or (y) when a separation from service occurs Executive is a "specified employee" within the meaning of Section 409A of the Code, and if any of the continued insurance coverage or other benefits specified in Section 3(a)ii. of this Agreement would be considered deferred compensation under Section 409A of the Code, and, finally, if an exemption from the six-month delay requirement of Section 409A(a)(2)(B)(i) of the Code is not available for that particular insurance or other benefit, the Bank shall pay to Executive in a single lump sum an amount in cash equal to the present value of the Bank's projected cost to maintain that particular insurance benefit (and associated income tax gross-up benefit, if applicable) had Executive's employment not terminated, assuming continued coverage for 24 months. The lump-sum payment shall be made thirty (30) days after employment termination or, if Section 17(b) applies, on the first payroll date that occurs after the date that is six (6) months after the date on which Executive separates from service.

(d) References in this Agreement to Section 409A of the Code include rules, regulations, and guidance of general application issued by the Department of the Treasury under Internal Revenue Section 409A of the Code.

SIGNATURES

IN WITNESS WHEREOF, BankLiberty and Liberty Bancorp, Inc. have caused this amended and restated Agreement to be executed and their seals to be affixed hereunto by their duly authorized officers, and Executive has signed this Agreement, on December 17, 2008.

ATTEST:

/s/ Cathy Trusler
Corporate Secretary

ATTEST:

/s/ Cathy Trusler
Corporate Secretary

[SEAL]

WITNESS:

/s/ Cathy Trusler
Corporate Secretary

BANKLIBERTY

By: /s/ Daniel G. O'Dell
For the Entire Board of Directors

**LIBERTY BANCORP, INC.
(Guarantor)**

By: /s/ Daniel G. O'Dell
For the Entire Board of Directors

EXECUTIVE

/s/ Marc. J. Weishaar
Marc J. Weishaar

CERTIFICATION

I, Brent M. Giles, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Liberty Bancorp, Inc.;
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 to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 quarterly report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly 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 case of an annual report) that has materially affected, or is reasonably 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:
 - (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.

Date: February 13, 2009

/s/ Brent M. Giles
Brent M. Giles
President and Chief Executive Officer

CERTIFICATION

I, Marc J. Weishaar, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Liberty Bancorp, Inc.;
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 to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 quarterly report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly 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 case of an annual report) that has materially affected, or is reasonably 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:
 - (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.

Date: February 13, 2009

/s/ Marc J. Weishaar

Marc J. Weishaar
Senior Vice President and Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350, as added by
Section 906 of the Sarbanes-Oxley Act of 2002**

Brent M. Giles, President and Chief Executive Officer, and Marc J. Weishaar, Senior Vice President and Chief Financial Officer, of Liberty Bancorp, Inc. (the "Company") each certify in his capacity as an officer of the Company that he has reviewed the Quarterly Report of the Company on Form 10-Q for the quarter ended December 31, 2008 (Report) and that to the best of his knowledge:

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

By: /s/ Brent M. Giles
Brent M. Giles
President and Chief Executive Officer

By: /s/ Marc J. Weishaar
Marc J. Weishaar
Senior Vice President and Chief Financial Officer

Date: February 13, 2009