#2011-121

AGREEMENT BY AND BETWEEN
Fidelity National Bank
West Memphis, Arkansas
and
The Comptroller of the Currency

Fidelity National Bank, West Memphis, Arkansas ("Bank") and the Comptroller of the Currency of the United States of America ("Comptroller") wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules, and regulations.

The Comptroller has found unsafe and unsound banking practices including but not limited to practices relating to capital and asset quality.

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected and acting Board of Directors ("Board"), and the Comptroller, through his authorized representative, that the Bank shall operate at all times in compliance with the articles of this Agreement.

ARTICLE I

JURISDICTION

(1) This Agreement shall be construed to be a "written agreement entered into with the agency" within the meaning of 12 U.S.C. § 1818(b)(1).

(2) This Agreement shall be construed to be a "written agreement between such depository institution and such agency" within the meaning of 12 U.S.C. § 1818(e)(1) and 12 U.S.C. § 1818(i)(2).

(3) This Agreement shall be construed to be a "formal written agreement" within the meaning of 12 C.F.R. § 5.51(c)(6)(ii). See 12 U.S.C. § 1831i.

(4) This Agreement shall be construed to be a "written agreement" within the meaning of 12 U.S.C. § 1818(u)(1)(A).

(5) All reports or plans which the Bank or Board has agreed to submit to the Assistant Deputy Comptroller pursuant to this Agreement shall be forwarded to:

F. Christian Dunn
Assistant Deputy Comptroller
Comptroller of the Currency
Little Rock Field Office
1401 West Capitol Avenue, Suite 350
Little Rock, Arkansas 72201

ARTICLE II

COMPLIANCE COMMITTEE

(1) Within ten (10) days of the date of this Agreement, the Board shall appoint a Compliance Committee of at least five (5) directors, of which no more than one (1) shall be an employee or controlling shareholder of the Bank or any of its affiliates (as the term "affiliate" is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. Upon appointment, the names of the members of the Compliance Committee and, in the event of a change of the membership, the name of any new member shall promptly be submitted in writing to the Assistant Deputy Comptroller. The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Agreement.

(2) The Compliance Committee shall meet at least monthly.

(3) Within thirty (30) days of the date of this Agreement and quarterly thereafter, the Compliance Committee shall submit a written progress report to the full Board setting forth in detail:

(a) a description of the action needed to achieve full compliance with each Article of this Agreement;

(b) actions taken to comply with each Article of this Agreement; and

(c) the results and status of those actions.

(4) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Assistant Deputy Comptroller within ten (10) days of receiving such report.

ARTICLE III

REDUCING THE LEVEL OF CRITICIZED ASSETS

(1) The Bank shall take immediate and continuing action to protect its interest in those assets criticized in the ROE, in any subsequent Report of Examination, by internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination.

(2) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written program to eliminate the basis of criticism of assets criticized in the ROE, in any subsequent Report of Examination, or by any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination as "doubtful," "substandard," or "special mention." This program shall be effective in reducing criticized assets and shall require the Bank to consider for each criticized asset, at a minimum:

(a) an identification of the expected sources of repayment;

(b) the appraised value of supporting collateral and the position of the Bank's lien on such collateral where applicable;

(c) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations; and

(d) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment.

(3) Upon completion, a copy of the program shall be forwarded to the Assistant Deputy Comptroller within ten (10) days. Any subsequent modifications or additions to the program shall be forwarded to the Assistant Deputy Comptroller with ten (10) days of the modification or addition.

(4) The Board shall conduct a written review, on at least a quarterly basis, to determine:

(a) the status of each criticized asset or criticized portion thereof that equals or exceeds two hundred fifty thousand dollars ($250,000);

(b) management's adherence to the program adopted pursuant to this Article;

(c) the status and effectiveness of the written program; and

(d) the need to revise the program or take alternative action.

(5) A copy of each written review, including status updates for each criticized asset or criticized portion thereof that equals or exceeds two hundred fifty thousand dollars ($250,000), shall be forwarded to the Assistant Deputy Comptroller quarterly. The status updates shall follow a format similar to Appendix A, attached hereto.

(6) The Bank may extend credit, directly or indirectly, including renewals, extensions or capitalization of accrued interest, to a borrower whose loans or other extensions of credit are criticized in the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any list provided to management by the National Bank Examiners during any

examination and whose aggregate loans or other extensions exceed two hundred fifty thousand dollars ($250,000.00) only if each of the following conditions is met:

(a) the Board or designated committee finds that the extension of additional credit is necessary to promote the best interests of the Bank and that prior to renewing, extending or capitalizing any additional credit, a majority of the full Board approves the credit extension and records, in writing, why such extension is necessary to promote the best interests of the Bank; and

(b) a comparison to the written program adopted pursuant to this Article shows that the Board's formal plan to collect or strengthen the criticized asset will not be compromised.

(7) A copy of the approval of the Board shall be maintained in the file of the affected borrower.

(8) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to this Article and the programs developed pursuant to it.

ARTICLE IV

PROBLEM LOAN IDENTIFICATION & LOAN REVIEW

(1) Within thirty (30) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a program to ensure lending officers identify in a timely and accurate manner nonaccrual loans and loans rated "Special Mention", "Substandard", "Doubtful", and "Loss." An acceptable program shall include:

(a) Providing training to lending staff on recognition of nonaccrual loans and loan grading, with subsequent refresher training as needed;

(b) Ensuring lending staff accountability by including accuracy and timeliness of recognition of nonaccrual loans and loan grading in the annual performance evaluation of each loan officer and each member of lending area management; and

(c) Remedying any problem loan identification or loan review deficiencies identified in the current or any future ROE.

(2) Within sixty (60) days, the Board shall establish an effective, independent and on-going loan review system to review, at least quarterly, the Bank's loan and lease portfolios to assure the timely identification and categorization of problem credits. The loan review system shall review, at least quarterly, the Bank's loan and lease portfolios to assure the timely and accurate identification and categorization of nonaccrual loans and loans rated "Special Mention," "Substandard," "Doubtful," and "Loss." The Bank's loan review system shall provide for a written report to be filed with the Board or a designated committee after each review and shall use a loan and lease grading system consistent with the guidelines set forth in "Rating Credit Risk" and "Allowance for Loan and Lease Losses" booklets of the Comptroller's Handbook. Such reports shall include, at a minimum, conclusions and comments regarding:

(a) the scope of the review;

(b) the overall quality of the loan and lease portfolios;

(c) the identification, type, rating, and amount of problem loans and leases;

(d) the identification and amount of delinquent loans and leases;

(e) the identification and amount of nonaccrual loans;

(f) credit and collateral documentation exceptions;

(g) the identification and status of credit related violations of law, rule, or regulation;

(h) the identity of the loan officer who originated each loan reported in accordance with subparagraphs (b) through (g) of this Article;

(i) concentrations of credit;

(j) loans and leases to executive officers, directors, principal shareholders (and their related interests) of the Bank; and

(k) loans and leases not in conformance with the Bank's lending and leasing policies as well as exceptions to the Bank's lending and leasing policies.

(3) The Board shall evaluate the loan review written report(s) and shall ensure that immediate, adequate, and continuing remedial action is taken upon any deficiencies noted in the report(s).

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to this Article and the programs developed pursuant to it.

ARTICLE V

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within sixty (60) days, the Board shall review, revise, and thereafter ensure Bank adherence to its written program to ensure the maintenance of an adequate Allowance for Loan and Lease Losses ("Allowance"). An acceptable program shall be designed in light of the comments on maintaining a proper Allowance found in the "Allowance for Loan and Lease Losses" booklet of the Comptroller's Handbook and shall focus particular attention on the following factors:

(a) results of the Bank's internal loan review;

(b) results of the Bank's external loan review;

(c) an estimate of inherent loss exposure on each credit in excess of two hundred and fifty thousand dollars ($250,000);

(d) loan loss experience;

(e) trends of delinquent and nonaccrual loans;

(f) concentrations of credit in the Bank;

(g) present and prospective economic conditions;

(h) appropriate treatment of classified loans pursuant to OCC Bulletin 2006-47 – Allowance Guidance and Frequently Asked Questions on the ALLL;

(i) applicable requirements of the Accounting Standards Codification, include, ASC 450 and 310 (formerly FAS 5 and 114) and

(j) correction of any Allowance related deficiencies noted in the current or any future ROE.

(2) The program shall provide for a review of the Allowance by the Board at least once each calendar quarter. Any deficiency in the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the Consolidated Reports of Condition and Income, by additional provisions from earnings. Written documentation shall be maintained indicating the factors considered and conclusions reached by the Board in determining the adequacy of the Allowance.

(3) Upon revision, a copy of the program shall promptly be submitted to the Assistant Deputy Comptroller.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to this Article and the programs developed pursuant to it.

ARTICLE VI

APPRAISALS OR EVALUATIONS OF REAL PROPERTY

(1) Within sixty (60) days, the Board shall ensure the implementation of policies and controls to ensure full compliance with 12 C.F.R. Part 34, Subpart C as well as to ensure that appropriate appraisals/evaluations are obtained when necessary for Safety & Soundness Purposes. The policies and controls shall include, but not be limited to:

(a) revisions of the loan policy to ensure full compliance with OCC Bulletin 2010-42 *Sound Practices for Appraisals and Evaluations*;

(b) procedures to ensure proper identification of impairment related to problem credits (including updating outdated appraisals);

(c) procedures to ensure the adequacy of appraisals for complex properties;

(d) procedures to ensure that an independent and effective appraisal review process is conducted and that bank personnel take appropriate action to remedy any deficiencies in appraisals identified through the appraisal review process; and

(d) procedures to remedy any appraisal or evaluation deficiencies identified in the current or any future ROE.

(2) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of this Article and the policies developed pursuant to it.

ARTICLE VII

CAPITAL PLAN AND HIGHER MINIMUMS

(1) The Bank shall maintain the following capital levels (defined in 12 C.F.R. Part 3):

(a) Total Risk-Based capital at least equal to twelve percent (12%) of risk-weighted assets;

(b) Tier 1 capital at least equal to eight percent (8%) of adjusted total assets.

(2) The requirement in this Agreement to meet and maintain a specific capital level means that the Bank may not be deemed to be "well capitalized" for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6 pursuant to 12 C.F.R. § 6.4(b)(1)(iv).

(3) Within ninety (90) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a three year capital program. The program shall include:

(a) specific plans for the maintenance of adequate capital that may in no event be less than the requirements of paragraph (1);

(b) projections for growth and capital requirements based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;

(c) projections of the sources and timing of additional capital to meet the Bank's current and future needs;

(d) the primary source(s) from which the Bank will strengthen its capital structure to meet the Bank's needs;

(e) contingency plans that identify alternative methods should the primary source(s) under (d) above not be available; and

(f) a dividend policy that permits the declaration of a dividend only:

(i) when the Bank is in compliance with its approved capital program;

(ii) when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and

(iii) with the prior written determination of no supervisory objection by the Assistant Deputy Comptroller.

(4) Upon completion, the Bank's capital program shall be submitted to the Assistant Deputy Comptroller for prior determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and adhere to the capital program. The Board shall review and update the Bank's capital program on an annual basis, or more frequently if necessary. Copies of the reviews and updates shall be submitted to the Assistant Deputy Comptroller for a no supervisory objection.

(5) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE VIII

INVESTMENT POLICY

(1) Within sixty (60) days, the Board shall review and revise the Bank's investment policy and implement the revised policy, and thereafter ensure Bank adherence to the policy. The policy shall contain the basic elements of a sound investment policy consistent with regulatory guidance provided in An Examiner’s Guide to Investment Products and Practices (December 1992), 12 C.F.R. Part 1, and OCC Bulletin 98-20 (April 27, 1998) and shall include:

(a) an investment portfolio strategy that is consistent with Board approved Bank asset and liability management policies and interest rate risk tolerances;

(b) individual and committee investment portfolio purchase and sale authority;

(c) approval procedures that will include dollar size limits, quality limitations, maturity limitations, and concentration or diversification guidelines;

(d) a requirement that investment securities be supported by adequate credit and interest rate risk measurement information as described in the "Interest Rate Risk" booklet of the Comptroller's Handbook and in OCC Bulletin 98-20 (April 27, 1998);

(e) required reviews and use of securities dealers;

(f) periodic reports to and approval by the Board for all investment portfolio purchases and sales and strategy changes;

(g) monthly review by the Board's investment committee of the Bank's investment portfolio activity to ensure adherence to the investment policy and to applicable banking and securities laws and regulations;

(h) actions to be taken to ensure that any bank investment amount that are outside of policy guidelines are brought into conformity with the policy limitations; and

(i) actions to be taken to remedy any deficiencies identified in the current or any future ROE.

(2) The revised investment policy shall be implemented and a copy shall be forwarded to the Assistant Deputy Comptroller.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

ARTICLE IX

LIQUIDITY AND CONTINGENCY FUNDING PLAN

(1) On an on-going basis, the Board shall ensure adequate sources of liquidity in relation to the Bank’s needs. Liquidity must be maintained at a level that is sufficient to sustain the Bank's current operations and to withstand any anticipated or extraordinary demand against its funding base.

(2) Within sixty (60) days, the Bank shall review, revise, and thereafter ensure Bank adherence to a Contingency Funding Plan that is reasonable and effective in ensuring that the Bank will continue to operate with adequate liquidity in the event of extraordinary demands against its funding base. The Contingency Funding Plan shall be detailed and shall include:

(a) identification of liquidity sources that will be available in the event of liquidity stress events and changes in collateral requirements in the event of liquidity stress events;

(b) levels of liquid assets to be maintained;

(c) identification of bank staff’s responsibility (including identifying primary personnel, backup personnel, and the required timeframes) in which to implement the plan;

(c) identification of triggers or stress events that will result in the immediate implementation of the plan; and

(d) actions to be taken to remedy any liquidity or contingency funding plan deficiencies outlined in the current or any future ROE.

(3) The Board shall review the Bank's contingency plan on a quarterly basis, and require at a minimum testing of the plan to include:

(a) testing of the funding lines that would be utilized in a liquidity crises; and

(b) determining and identifying, if necessary, assets required to be pledged.

(4) After each quarterly review, the Board shall take appropriate action to ensure adequate sources of liquidity in relation to the Bank's needs.

(5) Monthly reports shall set forth liquidity requirements and sources and update the status of the Contingency Funding Plan. Copies of these reports shall be forwarded to the Assistant Deputy Comptroller in the Bank's quarterly report to the Assistant Deputy Comptroller.

(6) The Board shall ensure that the Bank has adequate processes, personnel, and control systems to ensure the implementation of and adherence to this Article.

ARTICLE X

STRATEGIC PLAN

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written strategic plan for the Bank, which shall cover at least a three-year period. The strategic plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital adequacy, reduction in the volume of nonperforming assets, product line development and

market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives and, at a minimum, include:

(a) a mission statement that forms the framework for the establishment of strategic goals and objectives;

(b) an assessment of the Bank's present and future operating environment;

(c) the development of strategic goals and objectives to be accomplished over the short and long term;

(d) an identification of the Bank’s present and future product lines (assets and liabilities) that will be utilized to accomplish the strategic goals and objectives established in (1)(c) of this Article;

(e) an evaluation of the Bank's internal operations, staffing requirements, board and management information systems and policies and procedures for their adequacy and contribution to the accomplishment of the goals and objectives developed under (1)(c) of this Article;

(f) a management employment and succession program to promote the retention and continuity of capable management;

(g) product line development and market segments that the Bank intends to promote or develop;

(h) an action plan to improve bank earnings and accomplish identified strategic goals and objectives, including individual responsibilities, accountability and specific time frames;

(i) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the period covered by the strategic plan;

(j) control systems to mitigate risks associated with planned new products, growth, or any proposed changes in the Bank's operating environment;

(k) specific plans to establish responsibilities and accountability for the strategic planning process, new products, growth goals, or proposed changes in the Bank's operating environment; and

(l) systems to monitor the Bank's progress in meeting the plan's goals and objectives.

(2) Upon adoption, a copy of the plan shall be forwarded to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and adhere to the strategic plan.

(3) The Bank shall give the Assistant Deputy Comptroller at least sixty (60) days advance, written notice of its intent to deviate significantly from the strategic plan and shall obtain a prior written determination of no supervisory objection to the significant deviation from the original strategic plan. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and adhere to the revised strategic plan.

(a) For purposes of this Article, changes that may constitute a significant deviation from the strategic plan include, but are not limited to, any significant deviations from marketing strategies, marketing partners, acquisition channels; underwriting practices and standards, account management strategies and test programs; collection strategies, partners or operations; fee structure, pricing, or fee application methods; accounting processes and practices; funding strategy; or any other changes in personnel, operations or external factors that may have a material impact on the Bank's operations or financial performance.

(b) Prior to making any changes that significantly deviate from the Bank's strategic plan, the Board shall perform an evaluation of the adequacy of the Bank's organizational structure, staffing, management information systems, internal controls and written policies and procedures to identify, measure, monitor, and control the risks associated with the product or service. The evaluation shall include an assessment of the impact of such changes on the Bank's condition, including a profitability analysis.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plan developed pursuant to this Article.

ARTICLE XI

CONCLUSION

(1) Although the Board has agreed to submit certain programs and reports to the Assistant Deputy Comptroller for review or prior written determination of no supervisory objection, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United

States of America to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time requirements may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or accepted, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Agreement in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, it is intended to mean that the Board shall:

(a) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Agreement;

(b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Agreement;

(c) follow-up on any non-compliance with such actions in a timely and appropriate manner; and

(d) require corrective action be taken in a timely manner of any non-compliance with such actions.

(6) This Agreement is intended to be, and shall be construed to be, a supervisory “written agreement entered into with the agency” as contemplated by 12 U.S.C. § 1818(b)(1),

and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract. The Bank also expressly acknowledges that no officer or employee of the Office of the Comptroller of the Currency has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set his hand on behalf of the Comptroller.

/S/ 7/20/11

F. Christian Dunn Date
Assistant Deputy Comptroller
Little Rock Field Office

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/S/	7/20/11
Jack Avery	Date
/S/	7/20/11
Louis P. Bonds	Date
/S/	7/20/11
Ralph Carlson	Date
/S/	7/20/11
William Carlson	Date
/S/	7/20/11
Scott Ferguson	Date
/S/	7/20/11
Charles E. Horton	Date
P. Michael Murphy	Date
/S/	7/20/11
Trent Pierce	Date
/S/	7/20/11
Jim Pugh	Date
/S/	7/20/11
N. S. Sechrest	Date
/S/	7/20/11
Robert Walker	Date
/S/	7/20/11
Don Weis	Date

APPENDIX A
Fidelity National Bank
West Memphis, Arkansas

CRITICIZED ASSET REPORT AS OF: ____________________

BORROWER(S):

ASSET BALANCE(S) AND OCC RATING (SM, SUBSTANDARD, DOUBTFUL OR LOSS):

$ ____________________ CRITICISM ____________________

AMOUNT CHARGED OFF TO DATE ____________________

FUTURE POTENTIAL CHARGE-OFF ____________________

PRESENT STATUS (Fully explain any increase in outstanding balance; include past due status, nonperforming, significant progress or deterioration, etc.):

FINANCIAL AND/OR COLLATERAL SUPPORT (include brief summary of most current financial information, appraised value of collateral and/or estimated value and date thereof, bank's lien position and amount of available equity, if any, guarantor(s) info, etc.):

PROPOSED PLAN OF ACTION TO ELIMINATE ASSET CRITICISM(S) AND TIME FRAME FOR ITS ACCOMPLISHMENT:

IDENTIFIED SOURCE OF REPAYMENT AND DEFINED REPAYMENT PROGRAM (repayment program should coincide with source of repayment):

Use this form for reporting each criticized asset that exceeds two hundred fifty thousand dollars ($250,000) and retain the original in the credit file for review by the examiners. Submit your reports **quarterly** until notified otherwise, in writing, by the Assistant Deputy Comptroller.