#2011-165
Also Terminates **#2009-079**

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY

In the Matter of:	)	
DuPage National Bank	)	AA-EC-11-92
West Chicago, Illinois	)	

CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America ("Comptroller"), through his National Bank Examiner, has supervisory authority over DuPage National Bank, West Chicago, Illinois ("Bank");

WHEREAS, the Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a Stipulation and Consent to the Issuance of a Consent Order ("Stipulation and Consent"), dated November 18, 2011, that is accepted by the Comptroller; and

WHEREAS, by this Stipulation and Consent, which is incorporated by reference, the Bank has consented to the issuance of this Consent Order ("Order") by the Comptroller.

NOW, THEREFORE, pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

ARTICLE I
COMPLIANCE COMMITTEE

(1) Within five (5) days of the date of this Order, the Board shall appoint and maintain an active Compliance Committee of at least three (3) directors. Upon appointment of independent, outside directors pursuant to Article VIII, at least two independent, outside directors shall be appointed to the Compliance Committee so that the independent directors will make up a majority of the Compliance Committee. 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 be submitted in writing to the Director for Special Supervision ("Director"). The Compliance

Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Order.

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

(3) Within thirty (30) days of the date of this Order and every thirty (30) days thereafter, the Compliance Committee shall continue to ensure the submission of a written progress report to the Board setting forth in detail:

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

(b) actions taken to comply with each Article of this Order; 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 Director within ten (10) days of receiving such report.

(5) All reports or plans that the Bank or Board has agreed to submit to the Director pursuant to this Order shall be forwarded, by overnight mail or via email, to the following:

Director for Special Supervision	*with a copy to*:
Comptroller of the Currency	Chicago South Field Office
250 E Street, S.W.	Comptroller of the Currency
Mail Stop 2-7	2001 Butterfield Road, Suite 400
Washington, DC 20219	Downers Grove, Illinois 60515

ARTICLE II

STRATEGIC PLAN

(1) Within sixty (60) days, the Board shall forward to the Director for his review and determination of no supervisory objection pursuant to paragraph (5) of this Article, a written Strategic Plan for the Bank that is acceptable to the Director, covering at least a three (3) 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 shall, at a minimum, include:

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

(b) the strategic goals and objectives to be accomplished;

(c) a description of the Bank's targeted market(s) and an assessment of the current and projected risks and competitive factors in its identified target market(s);

(d) specific actions to improve Bank earnings and accomplish the identified strategic goals and objectives;

(e) identification of Bank personnel to be responsible and accountable for achieving each goal and objective of the Strategic Plan, including specific timeframes;

(f) a financial forecast, to include projections for major balance sheet and income statement accounts, targeted financial ratios, and growth projections over the period covered by the Strategic Plan;

(g) a description of the assumptions used to determine financial projections and growth targets;

(h) an identification and risk assessment of the Bank's present and planned future product lines (assets and liabilities) that will be utilized to accomplish the strategic goals and objectives established in the Strategic Plan, with the requirement that the risk assessment of new product lines must be completed prior to the offering of such product lines;

(i) a description of control systems to mitigate risks associated with planned new products, growth, or any proposed changes in the Bank's markets;

(j) 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 established in the Strategic Plan;

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

(l) assigned responsibilities and accountability for the strategic planning process, new products, growth goals, and proposed changes in the Bank's operating environment; and

(m) a description of systems to monitor the Bank's progress in meeting the Strategic Plan's goals and objectives.

(2) If the Board's Strategic Plan under paragraph (1) of this Article includes a liquidation, sale or merger of the Bank, the Strategic Plan shall, at a minimum, address the steps that will be taken and the associated timeline to ensure that a definitive agreement for the liquidation, sale or merger is executed not later than ninety (90) days after the receipt of the Director's written determination of no supervisory objection pursuant to paragraph (5) of this Article.

(3) At least monthly, the Board shall review financial reports and earnings analyses prepared by the Bank that evaluate the Bank's performance against the goals and objectives established in the Strategic Plan, as well as the Bank's written explanation of significant differences between actual and projected balance sheet, income statement, and expense accounts, including descriptions of extraordinary and/or nonrecurring items.

(4) At least quarterly, the Board shall prepare a written evaluation of the Bank's performance against the Strategic Plan, based on the Bank's monthly reports, analyses, and written explanations of any differences between actual performance and the Bank's strategic goals

and objectives, and shall include a description of the actions the Board will require the Bank to take to address any shortcomings, which shall be documented in the Board meeting minutes. Within ten (10) days of completing its evaluation, the Board shall submit a copy of the evaluation and Board minutes to the Director.

(5) Prior to adoption by the Board, a copy of the Strategic Plan, and any subsequent amendments or revisions, shall be forwarded to the Director for a prior written determination of no supervisory objection. The Board shall review and update the Bank's Strategic Plan at least annually and more frequently if necessary or if required by the Director in writing. Revisions to the Bank's Strategic Plan shall be submitted to the Director for a prior written determination of no supervisory objection. Upon receiving a written determination of no supervisory objection from the Director, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall immediately implement and thereafter ensure adherence to the Strategic Plan and any amendments or revisions thereto.

(6) The Bank may not initiate any action that deviates significantly from the Board-approved Strategic Plan, including subsequent amendments or revisions, without a written determination of no supervisory objection from the Director. The Board must give the Director advance, written notice of its intent to deviate significantly from the Strategic Plan, along with an assessment of the impact of such change on the Bank's condition, including a profitability analysis and 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 change in the Strategic Plan.

(7) Until the Strategic Plan required under this Article has been submitted by the Bank for OCC review, has received a written determination of no supervisory objection from the OCC, and is being implemented by the Bank, the Bank shall not significantly deviate from the products,

services, asset composition and size, funding sources, structure, operations, policies, procedures, and markets of the Bank that existed before this Consent Order without first obtaining the OCC's prior written determination of no supervisory objection to such significant deviation. Any request to the OCC for prior written determination of no supervisory objections to a significant deviation must be submitted to the Director thirty (30) days in advance of the significant deviation and shall include:

(a) an assessment of the adequacy of the Bank's management, staffing levels, organizational structure, financial condition, capital adequacy, funding sources, management information systems, internal controls, and written policies and procedures with respect to the proposed significant deviation, and

(b) the Bank's evaluation of its capability to identify, measure, monitor, and control the risks associated with the proposed significant deviation.

(8) For the purposes of this Article, changes that may constitute a significant deviation from the Strategic Plan include, but are not limited to, a change in the Bank's products and services, marketing strategies, marketing partners, business lines, asset growth, underwriting practices and standards, credit administration, account management, collection strategies or operations, fee structure or pricing, accounting processes and practices, or funding strategy, any of which, alone or in the aggregate, may have a material impact on the Bank's operations or financial performance, or any other changes in personnel, operations, or external factors that may have a material impact on the Bank's operations or financial performance.

ARTICLE III

CAPITAL PLAN AND HIGHER MINIMUMS

(1) The Bank shall by February 29, 2012, achieve and thereafter maintain the following minimum capital ratios (as defined in 12 C.F.R. Part 3)[1]:

(a) Total capital at least equal to thirteen percent (13%) of risk-weighted assets;

(b) Tier 1 capital at least equal to nine percent (9%) of adjusted total assets.[2]

(2) Within sixty (60) days, the Board shall forward to the Director for his determination of no supervisory objection pursuant to paragraph (5) of this Article, a written Capital Plan for the Bank, covering at least a three (3) year period. The Capital Plan shall include:

(a) specific plans for the achievement and maintenance of adequate capital, which may in no event be less than the requirements of paragraph (1) of this Article;

(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 future needs, as set forth in the Strategic Plan;

(d) identification of the primary sources from which the Bank will maintain an appropriate capital structure to meet the Bank's future needs, as set forth in the Strategic Plan;

(e) specific plans detailing how the Bank will comply with restrictions or requirements set forth in this Order and with 12 U.S.C. § 1831o, including the restrictions against brokered deposits in 12 C.F.R. § 337.6; and

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[1] The requirement in this Order 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).

[2] Adjusted total assets is defined in 12 C.F.R. § 3.2(a) as the average total assets figure required to be computed for and stated in the Bank's most recent quarterly *Consolidated Report of Condition and Income* ("call report") minus end-of-quarter intangible assets, deferred tax assets, and credit-enhancing interest-only strips that are deducted from Tier 1 capital, and minus nonfinancial equity investments for which a Tier 1 capital deduction is required pursuant to section 2(c)(5) of Appendix A of 12 C.F.R. Part 3.

(f) contingency plans that identify alternative methods to strengthen capital, should the primary source(s) under paragraph (d) of this Article not be available.

(3) The Bank is prohibited from paying any director fees unless the Bank is in compliance with the minimum capital ratios identified in paragraph (1) of this Article or prior express written authorization is provided by the Director.

(4) The Bank may declare or pay a dividend or make a capital distribution only:

(a) when the Bank is in compliance with its approved Capital Plan and would remain in compliance with its approved Capital Plan immediately following the payment of any dividend;

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

(c) following the prior written determination of no supervisory objection by the Director.

(5) Prior to adoption by the Board, a copy of the Capital Plan shall be submitted to the Director for a prior written determination of no supervisory objection. The Board shall review and update the Bank's Capital Plan at least annually and more frequently if necessary or if required by the Director in writing. Revisions to the Bank's Capital Plan shall be submitted to the Director for a prior written determination of no supervisory objection. Upon receiving a written determination of no supervisory objection from the Director, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to the Capital Plan and any amendments or revisions thereto.

(6) The Bank shall not enter into any third party contract to assist in the sale, merger, or recapitalization of the Bank without obtaining the Director's prior written determination of no supervisory objection pursuant to paragraph (8).

(7) If the Bank proposes to enter into any contract with a third party to assist in the sale, merger, or recapitalization of the Bank that requires the payment of anything other than expenses

prior to such sale, merger of recapitalization, or that requires the Bank to pay, directly or indirectly, the cost of performing due diligence, or other services related to the transaction, the Bank's submission to the Director as described in paragraph (8) shall also include the Board's written analysis of why the proposed contract is in the best interests of the Bank.

(8) Any request for the Director's written determination of no supervisory objection shall include:

(a) a description of the due diligence credit review, fairness opinion or any other services to be performed by the third party, including a copy of the proposed contract or engagement;

(b) a description of the Bank's due diligence process for agreeing to the services to be performed by a potential purchaser or merger partner; and

(c) a determination by the Board that:

(i) the activities to be performed by the third party as part of the sale or merger requirements are fair and reasonable to the Bank,

(ii) the parties are able to perform under the contract or commitment;

(iii) the fees the Bank is required to pay to the third party are reasonable for the services provided; and

(iv) the contract is in the best interests of the Bank.

(9) Following any written determination of no supervisory objection by the Director, the Board shall regularly monitor the contractor or service provider's performance to ensure that the contractor or service provider is complying with the written contract or engagement. The Board shall immediately take appropriate action if the contractor or service provider is not complying with the written contract or engagement and shall maintain documentation of any such actions.

(10) If the Bank fails to maintain the capital ratios required by paragraph (1) of this Article, violates paragraphs (3) or (4), or fails to implement a Capital Plan to which the Director has provided a written no supervisory objection, then the Bank may, in the Director's sole discretion, be deemed undercapitalized solely for purposes of this Order. The Bank shall, after an opportunity to respond, take such corrective measures as the OCC may direct in writing from among the provisions applicable to undercapitalized depository institutions under 12 U.S.C. § 1831o(e) and 12 C.F.R. Part 6. For purposes of this requirement, an action "necessary to carry out the purpose of this section" under 12 U.S.C. § 1831o(e)(5) shall include restoration of the Bank's capital to the minimum ratios required by this Order, and any other action deemed advisable by the OCC to address the Bank's capital deficiency or the safety and soundness of its operations.

ARTICLE IV

BOARD TO ENSURE COMPETENT MANAGEMENT

(1) The Board shall ensure that the Bank has competent management in place on a full-time basis in all executive officer positions to carry out the Board's policies; ensure compliance with this Order; ensure compliance with applicable laws, rules, and regulations; and manage the day-to-day operations of the Bank in a safe and sound manner.

(2) Within ninety (90) days, the Board shall identify and provide notice to the Director, pursuant to paragraph (5) of this Article, of a competent and capable candidate for the position of Loan Workout Specialist. Prior to the appointment of an individual to the Loan Workout Specialist position, the Board shall submit to the Director written notice containing the information that 12 C.F.R. § 5.51 requires for senior executive officers. The requirement to submit information and the prior disapproval provisions of this paragraph are based upon the

authority of 12 U.S.C. § 1818(b) and do not require the Comptroller or the Director to complete the review and act on any such information or authority within ninety (90) days.

(3) By December 31, 2011, the Board (with the exception of any Bank executive officers) shall develop and implement a written program, with specific time frames, to improve the performance, skills, and abilities of the Bank's executive officers to perform present and anticipated duties, taking into account the findings contained in the most recent Report of Examination, and factoring in the officer's past actual performance. Upon completion, a copy of the written program shall be submitted to the Director within ten (10) days.

(4) If the Board determines that an officer's performance, skills, and abilities are such that the Board is unable to develop and implement the program required by paragraph (3) of this Article and that the officer will not continue in his or her position, in light of the findings contained in the most recent Report of Examination, then the Board shall within sixty (60) days of a vacancy in any such position provide notice to the Director, pursuant to paragraph (5) of this Article, of a qualified and capable candidate for that position.

(5) Prior to the appointment of any individual to an executive officer position, the Board shall submit to the Director written notice containing the information that 12 C.F.R. § 5.51 requires for senior executive officers. The Director shall have the power to disapprove the appointment of the proposed executive officer. However, the failure to exercise such veto power shall not constitute an approval or endorsement of the proposed executive officer. The requirement to submit information and the prior disapproval provisions of this Article are based upon the authority of 12 U.S.C. § 1818(b) and this Order and do not require the Comptroller or the Director to complete the review and act on any such information or authority within ninety (90) days.

(6) The Board shall perform, at least annually, a written performance appraisal for each Bank executive officer that establishes objectives by which the officer's effectiveness will be measured, evaluates performance according to the position's description and responsibilities, and assesses accountability for action plans to remedy issues raised in Reports of Examination or audit reports. Upon completion, copies of the performance appraisals shall be submitted to the Director. The Board shall ensure that any identified deficiencies are addressed in a manner consistent with paragraphs (3) and (4) of this Article.

(7) The Board shall ensure that the Bank has sufficient processes, personnel, and control systems to effectively implement and adhere to all provisions of this Order, and that Bank personnel have sufficient training and authority to execute their duties and responsibilities under this Order.

ARTICLE V

LOAN PORTFOLIO MANAGEMENT

(1) Within sixty (60) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program to improve the Bank's loan portfolio management. The program shall include, but not be limited to systems and procedures that:

(a) ensure satisfactory and perfected collateral documentation;

(b) require that extensions of credit are granted, by renewal or otherwise, to any borrower only after obtaining, performing and documenting a global analysis of current and satisfactory credit information;

(c) track and analyze credit, collateral and policy exceptions;

(d) provide for accurate risk ratings consistent with the classification standards contained in the *Comptroller's Handbook* on "Rating Credit Risk;"

(e) ensure compliance with call report instructions, the Bank's lending policies, and laws, rules, and regulations pertaining to the Bank's lending function;

(f) ensure the accuracy of internal management information systems;

(g) provide adequate training of Bank personnel performing credit analyses in cash flow analysis, particularly analysis using information from tax returns, and implement processes to ensure that additional training is provided as needed; and

(h) include a performance appraisal process, including performance appraisals, job descriptions, and incentive programs for loan officers, which adequately consider their performance relative to policy compliance, documentation standards, accuracy in credit risk ratings, and other loan administration matters.

Upon completion, a copy of the program shall be forwarded to the Director.

(2) Within sixty (60) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program to reduce the high level of credit risk in the Bank. The program shall include, but not be limited to procedures which strengthen:

(a) credit underwriting;

(b) management of credit operations and the maintenance of an adequate, qualified staff in all loan functional areas; and

(c) loan collections.

(3) Upon completion, the Board shall submit a copy of the written program to the Director. At least quarterly, the Board shall prepare a written assessment of the Bank's credit risk, which shall evaluate the Bank's progress under the aforementioned program. Upon completion, the Board shall submit a copy of this assessment to the Director.

(4) Within sixty (60) days, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to a written program designed to protect the Bank's interest in those assets criticized as "doubtful," "substandard," or "special mention" in the most recent Report of Examination ("ROE"), in any subsequent ROE, by any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination. The program shall: (i) be independent of the loan origination and approval functions; (ii) include sufficient staff having the qualifications, skills, and experience to effectively manage and resolve problem assets, who will be held accountable by the Bank's Board to successfully execute their assigned duties; (iii) include adequate management information systems to measure the status of workout plans on each problem asset; and (iv) include the development of Criticized Asset Reports ("CARs") for all credit relationships and other assets that total in aggregate two hundred fifty thousand dollars ($250,000) or more and that are criticized as "doubtful" or "substandard," and for all credit relationships and other assets that total in aggregate five hundred thousand dollars ($500,000) and that are criticized "special mention." The CARs must be updated and submitted to the Board and the Director monthly. Each CAR shall cover an entire credit relationship and other assets, and include, at a minimum, analysis and documentation of the following:

(a) the origination date and any renewal or extension dates, amount, purpose of the loan or other asset, and the originating and current handling officer(s);

(b) timely identification of the risk ratings of the loans or other assets;

(c) the expected primary and secondary sources of repayment, and an analysis of the adequacy of the repayment sources;

(d) the appraised value of supporting collateral, with the date and source of the appraisal, and the position of the Bank's lien on such collateral, where applicable, as well as other necessary documentation to support the current collateral valuation;

(e) an analysis of current and complete credit information, including a global cash flow analysis where loans are to be repaid from operations;

(f) results of any impairment analysis;

(g) appropriate accrual status pursuant to the FFIEC Instructions for the preparation of call reports;

(h) significant developments, including a discussion of changes since the prior CAR, if any; and

(i) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment, including, if appropriate, an exit strategy.

(5) The Bank shall not extend credit, directly or indirectly, including renewals, modifications or extensions, to a borrower whose loans or other extensions of credit are criticized in any ROE, in any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination, unless and until a majority of the Board, or a designated committee thereof, finds and records in writing that each of the following conditions is met:

(a) the extension of additional credit is necessary to promote the best interests of the Bank;

(b) a written credit and collateral analysis is performed as required by paragraphs (4)(c), (4)(d), and (4)(e) of this Article and, if necessary, the proposed action referred to in paragraph (4)(i) of this Article is revised, as appropriate; and

(c) the Board's formal plan to collect or strengthen the criticized asset will not be compromised by the extension of additional credit.

A copy of the findings, including why such extension is necessary to promote the best interests of the Bank, and approval of the Board or designated committee shall be maintained in the credit file of the affected borrower and made available for review by National Bank Examiners.

(6) The Bank shall not extend credit, directly or indirectly, for the purpose of capitalization of accrued interest or the establishment of a new interest reserve on a loan to a borrower that is criticized in any ROE, in any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination.

(7) Within ninety (90) days, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall ensure implementation and adherence to an enhanced written commercial real estate concentration management program consistent with the guidelines in OCC Bulletin 2006-46 (December 6, 2006). The program shall include (but not be limited to) the following:

(a) policy guidelines addressing the level and nature of exposures acceptable to the institution and setting concentration limits, including limits on commitments to individual borrowers and appropriate sub-limits;

(b) procedures to identify and quantify the nature and level of risk presented by concentrations, including review of reports describing changes in conditions in the Bank's markets;

(c) procedures to periodically review and revise, as appropriate, risk exposure limits and sub-limits to conform to any changes in the institution's strategies and to respond to changes in market conditions;

(d) periodic portfolio-level stress tests or sensitivity analysis to quantify the impact of changing economic conditions on asset quality, earnings, and capital;

(e) appropriate strategies for managing concentration levels, including a contingency plan to reduce or mitigate concentrations in the event of adverse market conditions; and

(f) periodic reports to the Board, to include the following, as appropriate:

(i) a summary of concentration levels, by type and subtype;

(ii) a synopsis of the Bank's market analysis;

(iii) a discussion of recommended strategies when concentrations approach or exceed Board-approved limits;

(iv) a synopsis of changes in risk levels by concentration type and subtype, with discussion of recommended changes in credit administration procedures (for example, underwriting practices, risk rating, monitoring, and training).

(8) Upon completion, the Board shall forward a copy of the program required in paragraph (7) of this Article, and any concentration reports, studies, or analyses to the Director.

(9) Within sixty (60) days, the Board shall review and revise the Bank’s written loan policy and thereafter ensure Bank adherence to the policy. In reviewing the policy, the Board shall refer to the “Loan Portfolio Management” booklet of the *Comptroller’s Handbook*. The loan policy shall incorporate, but not necessarily be limited to, the following:

(a) a description of acceptable types of loans;

(b) loan structure and term requirements that consider the purpose of the loan, the source(s) of repayment, and the type and useful life of the collateral;

(c) maximum loan-to-value ratios for loans based on types of collateral securing the loan;

(d) guidelines to address legal lending limit and appraisal requirements;

(e) a provision that current and satisfactory credit information will be obtained on each borrower and guarantor, and a description of the types of credit information required from borrowers and guarantors, including (but not limited to) annual audited statements, interim financial statements, personal financial statements, and tax returns with supporting schedules;

(f) procedures that require any extension of credit (new, maturity extension, or renewal) is made only after obtaining and validating current credit information about the borrower and any guarantor sufficient to fully assess and analyze the borrower's and guarantor's cash flow, debt service requirements, contingent liabilities, and global liquidity condition, and only after the credit officer prepares a documented credit analysis;

(g) procedures that require any extension of credit (new, maturity extension, or renewal) is made only after obtaining and documenting the current valuation of any supporting collateral, perfecting and verifying the Bank's lien position, and ensuring that reasonable limits are established on credit advances against collateral, based on a consideration of (but not limited to) a realistic assessment of the value of collateral, the ratio of loan to value, and overall debt service requirements;

(h) collection procedures, including follow-up efforts, that are systematically and progressively stronger;

(i) a pricing policy that takes into consideration costs, general overhead, and probable loan losses, while providing for a reasonable margin of profit;

(j) guidelines for loans to insiders, including a statement that such loans will not be granted on terms more favorable than those offered to similar non-insider borrowers;

(k) guidelines addressing participations of credit consistent with requirements set forth in Banking Circular 181 (Revised);

(l) a limitation on the type and size of loans that may be made by loan officers without prior approval by the Board or a committee established by the Board for this purpose;

(m) guidelines for renewals and extensions of credit consistent with Banking Circular 255, including a prohibition on capitalization of interest and on extending or renewing credit for the sole purpose of reducing the volume of loan delinquencies;

(n) charge-off guidelines, by type of loan or other asset, including other real estate owned, addressing the circumstances under which charge-offs would be appropriate and ensuring recognition of loss within the quarter of discovery; and

(o) guidelines for periodic review of the Bank's adherence to the revised loan policy.

Upon completion, the Board shall provide a copy of the Bank's revised written loan policy to the Director.

(10) Immediately upon completion of the loan policy described in paragraphs (1) and (9), the Board shall ensure Bank adherence to the policy. The Board shall consider the following when monitoring adherence to the loan policy:

(a) extensions of credit are granted, by renewal or otherwise, to any borrower only after obtaining, performing, and documenting a global analysis of current and satisfactory credit information;

(b) existing extensions of credit structured as single pay notes are revised upon maturity to conform to the Bank's revised loan policy;

(c) collateral documentation is satisfactory and perfected;

(d) credit, collateral, and policy exceptions are tracked and analyzed;

(e) risk ratings are accurate and consistent with the classification standards contained in the *Comptroller's Handbook* on "Rating Credit Risk;"

(f) concentrations of credit are identified, measured, monitored, and controlled ;

(g) the Bank's compliance with Call Report instructions, the Bank's lending policies, and laws, rules, and regulations pertaining to the Bank's lending function;

(h) the accuracy of internal management information systems;

(i) the adequacy of training of Bank personnel performing credit analyses in cash flow analysis, particularly analysis using information from tax returns, and whether appropriate processes are implemented to ensure that additional training is provided as needed; and

(j) whether the performance appraisal process, including performance appraisals, job descriptions, and incentive programs for loan officers, adequately considers loan officers' performance relative to policy compliance, documentation standards, accuracy in credit risk ratings, and other loan administration matters.

ARTICLE VI

APPRAISALS OF REAL PROPERTY

(1) The Board shall require and the Bank shall obtain a current independent appraisal, an updated appraisal, or an evaluation in accordance with 12 C.F.R. Part 34, on any loan that is secured by real property where:

(a) the loan's appraisal or evaluation was found to violate 12 C.F.R. Part 34; or

(b) the loan was criticized in the most recent Report of Examination ("ROE") or by the Bank's internal or external loan review and the most recent independent appraisal or evaluation is more than twelve (12) months old; or

(c) the borrower has failed to comply with the contractual terms of the loan agreement and the Bank's analysis of current financial information does not support the ongoing ability of the borrower or guarantor(s) to perform in accordance with the contractual terms of the loan agreement, and the most recent independent appraisal or evaluation is more than twelve (12) months old.

(2) Appraisals required by this Article shall be ordered within thirty (30) days of the date of the Order, and going forward, within thirty (30) days following the event triggering the appraisal requirement, for delivery to the Bank within sixty (60) days of the date the appraisal was ordered.

(3) Within thirty (30) days, the Board shall require and the Bank shall develop and implement an independent review and analysis process to ensure that appraisals conform to appraisal standards and regulations. The appraisal review and analysis process shall ensure that appraisals are:

(a) performed in accordance with 12 C.F.R. Part 34;

(b) consistent with the guidance in OCC Bulletin 2005-6, "Appraisal Regulations and the Interagency Statement on Independent Appraisal and Evaluation Functions: Frequently Asked Questions" (March 22, 2005);

(c) consistent with OCC Advisory Letter 2003-9, "Independent Appraisal and Evaluation Functions" (October 28, 2003); and

(d) consistent with the "Interagency Appraisal and Evaluation Guidelines" (December 10, 2010), Federal Register Doc 2010-30913.

(4) Written documentation supporting each appraisal review and analysis shall be retained in the loan file, along with the appraisal.

ARTICLE VII

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) The Board shall continue to require and the Bank shall continue to implement and thereafter adhere to a written program for the maintenance of an adequate Allowance for Loan and Lease Losses ("ALLL"). The program shall be consistent with the comments on maintaining a proper ALLL found in the Interagency Policy Statement on the ALLL contained in OCC Bulletin 2006-47 (December 13, 2006) and with "Allowance for Loan and Lease Losses" booklet of the *Comptroller's Handbook*, and shall incorporate the following:

(a) internal risk ratings of loans;

(b) trends of delinquent and non-accrual loans;

(c) results of the Bank's independent loan review;

(d) criteria for determining which loans will be reviewed under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 310 *Receivables* (Pre-codification reference: Statement of Financial Accounting Standards ("FAS") Statement No. 114), how impairment will be determined, and procedures to ensure that the analysis of loans complies with ASC 310 requirements;

(e) criteria for determining loan pools under ASC 310 (Pre-codification reference: FAS Statement No. 5) and an analysis of those loan pools;

(f) recognition of non-accrual loans in conformance with generally accepted accounting principles ("GAAP") and call report instructions;

(g) loan loss experience;

(h) concentrations of credit; and

(i) present and projected economic and market conditions.

(2) The program shall provide for a review and concurrence of the ALLL by the Board at least once each calendar quarter. Any deficiency in the ALLL shall be remedied in the quarter it is discovered, prior to filing the call report, by additional provisions from earnings. Written documentation shall be maintained of the factors considered and conclusions reached by the Board in determining the adequacy of the ALLL and made available for review by National Bank Examiners.

ARTICLE VIII

APPOINTMENT OF NEW DIRECTORS

(1) Within ninety (90) days, the Board shall identify and propose for appointment a minimum of two (2) new independent directors that have a background in banking, credit, accounting, or financial reporting. The term "independent director" means a person who is not an officer or employee of the Bank, who is not related to a current officer, director, or employee of the Bank, and who is not a director, officer or employee of an affiliate.

(2) Prior to appointing any new director, the Bank must provide the Director with written notice as required by 12 C.F.R. § 5.51. The Director shall have the power to disapprove the appointment of the proposed new director. However, the lack of disapproval of such individual shall not constitute an approval or endorsement of the proposed director.

ARTICLE IX

CONSUMER COMPLIANCE PROGRAM

(1) Within one hundred twenty (120) days, the Board shall adopt, implement, and thereafter ensure adherence to a written consumer compliance program designed to ensure that the Bank is operating in compliance with all applicable consumer protection laws, rules, and regulations. This program shall include, but not be limited to:

(a) a written description of the duties and responsibilities of the compliance officer;

(b) adequate internal controls to ensure compliance with consumer protection laws, rules, and regulations;

(c) the preparation of a policies and procedures manual covering all consumer protection laws, rules and regulations for use by appropriate Bank personnel in the performance of their duties and responsibilities;

(d) semi-annual updates of the written policies and procedures manual to ensure it remains current;

(e) the education and training of all appropriate Bank personnel in the requirements of all federal and state consumer protection laws, rules and regulations;

(f) procedures to ensure that exceptions noted in the audit reports are corrected and responded to by the appropriate Bank personnel; and

(g) periodic reporting of the results of the consumer compliance audit to the Board or a committee thereof.

Upon adoption, a copy of the program shall be forwarded to the Director.

ARTICLE X

VIOLATIONS OF LAW

(1) The Board shall require and the Bank shall immediately take all necessary steps to correct each violation of law, rule, or regulation cited in any ROE, or brought to the Board's or Bank's attention in writing by management, regulators, auditors, loan review, or other compliance efforts. Within ninety (90) days after the violation is cited or brought to the Board's attention, the Bank shall provide to the Board a list of any violations that have not been corrected. This list shall include an explanation of the actions taken to correct the violation, the reasons why the violation has not yet been corrected, and a plan to correct the violation by a specified date.

(2) Within sixty (60) days of the date of this Order, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to:

(a) specific procedures to prevent future violations as cited in the most recent Report of Examination; and

(b) general procedures addressing compliance management that incorporate internal control systems and education of employees regarding laws, rules, and regulations applicable to their areas of responsibility.

ARTICLE XI

ADMINISTRATIVE APPEALS AND EXTENSIONS OF TIME

(1) If the Bank requires an extension of any timeframe within this Order, the Board shall submit a written request to the Director asking for relief. Any written requests submitted pursuant to this Article shall include a statement setting forth in detail the special circumstances that

prevent the Bank from complying with a provision and that require an extension of a timeframe within this Order.

(2) All such requests shall be accompanied by relevant supporting documentation, and any other facts upon which the Bank relies. The Director's decision concerning a request is final and not subject to further review.

ARTICLE XII

OTHER PROVISIONS

(1) Although the Bank is required to submit certain proposed actions and programs for the review or prior written determination of no supervisory objection of the Director, the Board has the ultimate responsibility for proper and sound management of the Bank and the completeness and accuracy of the Bank's books and records.

(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 Order shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) Except as otherwise expressly provided herein, any time limitations imposed by this Order shall begin to run from the effective date of this Order.

(4) The provisions of this Order are effective upon execution of this Order by the Comptroller, through his authorized representative whose signature appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Order in which the Board or a Board committee is required to ensure adherence to and undertake to perform certain obligations of the Bank, including the

obligation to implement plans, policies or other actions, it is intended to mean that the Board or Board committee 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 Order;

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

(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 Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818, and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(7) The terms of this Order, 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.

(8) The Bank entered into a Formal Agreement dated May 7, 2009 ("Agreement"). This Order replaces the Agreement in its entirety and therefore, the Agreement is hereby terminated.

IT IS SO ORDERED, this 18th day of November, 2011.

-Michael Brickman-

Michael Brickman
Director for Special Supervision

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY

In the Matter of:	)	
DuPage National Bank	)	AA-EC-11-92
West Chicago, Illinois	)	

STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America ("Comptroller") intends to initiate cease and desist proceedings against DuPage National Bank, West Chicago, Illinois ("Bank"), pursuant to 12 U.S.C. § 1818, through the issuance of a Notice of Charges, for unsafe or unsound banking practices and violations of law and regulation relating to, among other issues, credit risk management and loan portfolio management;

WHEREAS, the Bank, in the interest of compliance and cooperation, and without admitting or denying any wrongdoing, consents to the issuance of a Consent Order, dated November 18, 2011 ("Order") by executing this Stipulation and Consent to the Issuance of a Consent Order;

NOW THEREFORE, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

ARTICLE I

JURISDICTION

(9) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq*.

(10) The Comptroller is "the appropriate Federal banking agency" regarding the Bank, pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

(11) The Bank is an "insured depository institution" within the meaning of 12 U.S.C. § 1818(b)(1).

ARTICLE XIII

ACKNOWLEDGMENTS

(7) The Bank acknowledges that said Order shall be deemed an "order issued with the consent of the depository institution," as defined in 12 U.S.C. § 1818(h)(2), and consents and acknowledges that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818. 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, 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.

(8) The Bank also expressly acknowledges that no officer or employee of the Comptroller 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.

ARTICLE XIV

WAIVERS

(7) The Bank, by signing this Stipulation and Consent, hereby waives:

(a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);

(b) any and all procedural rights available in connection with the issuance of the Order;

(c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i) or 12 C.F.R. Part 19;

(d) all rights to seek any type of administrative or judicial review of the Order; and

(e) any and all rights to challenge or contest the validity of the Order.

ARTICLE XV

OTHER PROVISIONS

(7) The provisions of this Stipulation and Consent shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, the Comptroller deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

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

-Michael Brickman-	*11-18-11*
Michael Brickman Director for Special Supervision	Date

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.

-Jacqueline Cibula- Jacqueline Cibula	*11-18-11* Date
JoAnn Gallagher	Date
-Timothy G. Hansterfer- Timothy G. Hangsterfer	*11-18-11* Date
-Kevin J. McCracken Kevin J. McCracken	*11-18-11* Date
Thomas J. McCracken	Date
-Richard A. Walsh- Richard A. Walsh	*11-18-11* Date