#2011-176

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

In the Matter of:	)	
Community State Bank, N.A.	)	AA-WE-11-86
Ankeny, Iowa	)	

CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller"), through his National Bank Examiner, has supervisory authority over the Community State Bank, N.A., Ankeny, Iowa ("Bank").

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," dated November 22, 2011, that is accepted by the Comptroller. 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.

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

Article I

Compliance Committee

(1) The full Board of Directors shall also serve as the Compliance Committee and be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Order and shall meet at least monthly.

(2) By the end of every calendar month, the Compliance Committee shall prepare a written progress report setting forth in detail:

(a) a description of the action 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.

(3) The Board shall provide a summary report of the progress reached in attaining compliance with each Article of this Order to the Assistant Deputy Comptroller within ten (10) days of the end of each calendar quarter (i,e., January 10th, April 10th , July 10th, October 10th).

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

Assistant Deputy Comptroller
Comptroller of the Currency
Des Moines Field Office
5550 Wild Rose Lane, Suite 400
West Des Moines, Iowa 50266

(5) The Board shall ensure that the Bank has the processes, personnel, and control systems to ensure implementation of and adherence to the policies, procedures, and programs required by this Order.

Article II

Management and Board Supervision

(1) By no later than January 31, 2012, the Board shall hire a full-time, dedicated Chief Credit Officer vested with sufficient knowledge, skills, and abilities, including but not limited to, the technical expertise and the leadership skills, necessary to fulfill the duties and responsibilities of the position, and that includes particular knowledge and experience relating to commercial real estate lending and administration, problem loan workouts and collections, risk rating, and the computation of an appropriate Allowance for Loan and Lease Losses

("Allowance"). In the event that the Chief Credit Officer position of the Bank becomes vacant hereafter, the Board shall take the necessary steps to identify a suitable candidate and fill the vacancy within ninety (90) days of receiving notice of such vacancy.

(2) Prior to the appointment or employment of a Chief Credit Officer or changing the roles and responsibilities of any existing officer to fill this position, the Board shall submit the name and qualifications of the individual and the proposed terms of employment to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. As part of the submission to the Assistant Deputy Comptroller, the Bank must submit the following information:

(a) the information required by 12 C.F.R. § 5.51(e) and listed in the instructions to the "Changes in Directors and Senior Executive Officers" and "Background Investigations" booklets of the Comptroller's Licensing Manual, and any successor regulations or guidance, together with executed authorization forms to perform all necessary background checks;

(b) a written statement of the Board's reasons for selecting the proposed individual; and

(c) a written description of the proposed duties and responsibilities.

(3) The Assistant Deputy Comptroller shall have the power to disapprove the appointment of the Chief Credit Officer. However, the lack of disapproval of any such individual shall not constitute an approval or endorsement of that person.

(4) The requirement to submit information and the prior disapproval provisions of this Article are based on the authority of 12 U.S.C. § 1818(b) and do not require the Comptroller to complete his/her review and act on any such information or authority within ninety (90) days.

(5) Beginning with the second Friday following the execution of this Order, the Board shall provide reports every two weeks to the Assistant Deputy Comptroller summarizing its progress in the appointment of a Chief Credit Officer.

(6) Within ninety (90) days of this Order, the Board shall adopt and take the necessary steps to implement corporate governance and decision-making processes to correct the Bank's deficiencies in management leadership and Board oversight as described in the ROE, to include specific actions for attaining the necessary management expertise and Board involvement to return the Bank to a safe and sound condition, including but not limited to, the establishment of:

- (a) clear lines of responsibility and authority for the President and the Chief Credit Officer; and
- (b) processes to ensure that management appropriately responds to any audit or compliance criticisms, and regulatory criticisms to include: violations of law, unsafe or unsound banking practices, and Matters Requiring Attention (collectively, "material criticisms"), to include at a minimum:
  - (i) requirements for the development of written action plans to address material criticisms that include:
    - (A) corrective actions to be taken;
    - (B) deadlines for taking the corrective action; and
    - (C) the individual responsible for making the corrective action;
  - (ii) review and approval by the Board of management's proposed actions to be taken; and

(iii) a tracking system that will ensure that material criticisms are reported to the Board and corrected in a timely manner.

Article III

<u>Capital and Strategic Plan</u>

(1) Effective immediately, the Bank shall achieve and thereafter maintain at all times, the following minimum capital ratios:

(a) tier 1 capital at least equal to nine percent (9%) of adjusted total assets; and

(b) total risk-based capital at least equal to twelve percent (12%) of risk-weighted assets.

(2) For purposes of this Article, "Tier 1 capital," "total risk-based capital," "adjusted total assets," and "risk-weighted assets" are as defined in 12 C.F.R. Part 3.

(3) The requirement in this Order to meet and maintain a specific capital level means that the Bank is <u>not</u> to 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).

(4) Effective immediately, the Bank shall only declare dividends when:

(a) the Bank is in compliance with the Bank's Three-Year Plan as described below;

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

(c) the Bank has received a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.

(5) Within thirty (30) days of this Order, the Board shall revise its strategic and capital plan for the Bank. The revised plan shall cover at least the next three years (hereafter the

"Bank's Three-Year Plan"), complete with specific time frames that incorporate the capital, strategic and other requirements of this Article. A copy of the Bank's Three-Year Plan shall be forwarded to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(6) The Bank's Three-Year Plan shall establish objectives and projections for the Bank's overall risk profile, earnings performance, growth expectations, balance sheet mix, off-balance sheet activities, liability structure, capital and liquidity adequacy, product line development and market segments that the Bank intends to promote or develop, together with specific strategies to achieve those objectives, that are specific, measurable, verifiable, and, at a minimum, address or include:

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

(b) a dividend policy that only permits the declaration of a dividend in accordance with Paragraph (4) of this Article;

(c) growth limitations designed to ensure compliance with this Article and actions to monitor, control and reduce, where appropriate, significant concentrations of credit;

(d) recognition that the Bank cannot offer or introduce new products or enter new market segments until it adopts an appropriate credit culture, implements sound risk management principles, and returns the Bank's condition to satisfactory;

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

(f) the primary source(s), especially those that are not credit sensitive, from which the Bank will strengthen its capital structure to meet the Bank's needs;

(g) contingency plans that identify alternative capital sources should the primary source(s) under subparagraph (f) not be available;

(h) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the next three years that shall address or include consideration of the requirements of this Article; and

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

(7) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the Bank's Three-Year Plan.

Article IV

<u>Credit Risk Management</u>

(1) Effective as of the date of this Order, the Board shall take the necessary steps to ensure that the Bank manages the risk in the Bank's commercial and commercial real estate ("CRE") loan portfolios in accordance with the guidelines set forth in OCC Bulletin 2006-46, Concentration in Commercial Real Estate Lending, Sound Risk Management Practices (dated

December 6, 2006), and the Commercial Real Estate and Construction Lending, A-CRE, of the *Comptroller's Handbook*, to include, at a minimum, the development of procedures designed to ensure the Bank complies with the written CRE program for which the OCC previously has taken no supervisory objection.

(2) The Board's compliance with Paragraph (1) of this Article shall include the development of procedures to ensure the Bank does not grant, extend, renew, modify, or restructure any loan or other extension of credit (including participations purchased) equal to or exceeding five-hundred thousand dollars ($500,000), without:

(a) documenting the specific reason or purpose for the extension of credit;

(b) identifying the expected source of repayment in writing;

(c) structuring the repayment terms to coincide with the expected source of repayment;

(d) obtaining current and satisfactory credit information, including performing and documenting analysis of credit information and a detailed analysis of the borrower's financial position and all expected repayment sources (global cash flow), including but not limited to, the potential impact of any contingent liabilities;

(e) determining and documenting whether the loan complies with the Bank's lending policies and procedures and if it does not comply, providing identification of the exception and justification to support waiving the policy exception;

(f) making and documenting the determinations made regarding the customer's ability to repay the credit on the proposed repayment terms;

(g) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable, to include the following minimum requirements for loans made for the purpose of constructing or developing real estate:

(i) a recent meaningful, well-documented, inspection report;

(ii) documentation of project completion versus amount advanced;

(iii) documentation that indicates whether lien waivers are obtained from contractors and sub-contractors;

(iv) tracking of borrower's hard equity by project; and

(v) an appropriate appraisal or evaluation;

(h) providing an accurate risk assessment grade, proper accrual status, proper determination of impairment and designation as a troubled debt restructuring for each credit;

(i) determining whether the loan exceeds supervisory loan-to-value limits; and

(j) obtaining the written approval of the Bank's Loan Committee or Board.

(3) Within thirty (30) days of this Order, the Board shall revise, adopt, implement, and thereafter ensure Bank adherence to a written program of policies and procedures designed to aggregate and track exceptions to the Bank Loan Policy. This includes at a minimum, monthly Board monitoring of policy exception reports that track aggregate number and dollar amount of loans with material underwriting exceptions by type of loan and loan officer.

(4) Within thirty (30) days of this Order, the Board shall take the necessary steps to ensure that the Bank's credit relationships are monitored and administered in a safe and sound

manner, including the development of policies and procedures to ensure that lending officers prepare a timely, formal review of all credit relationships totaling five-hundred thousand dollars ($500,000) or more, at least every twelve months (with up to two months additional time allowed for customers to deliver required annual financial information), that contain, at a minimum, an analysis of:

(a) current and satisfactory credit information, including performing and documenting analysis of credit information and a detailed analysis of the borrower's financial position and all expected repayment sources (global cash flow), including but not limited to, the potential impact of any contingent liabilities;

(b) the value of any pledged collateral, with adequate supporting material to include appropriate analysis for loans secured by income producing property and those made for the purpose of construction and development of real estate;

(c) repayment prospect considering appropriate stressed-scenarios;

(d) the borrower's operating environment, including any potential changes;

(e) the borrower's compliance with any loan covenants;

(f) a determination of whether the loan complies with the Bank's lending policies and procedures, the potential harm or impact from any non-compliance determinations, and actions taken or to be taken to clear the exception or mitigate its potential harm or impact; and

(g) the appropriate risk assessment grade, proper accrual status, proper determination of impairment, and designation as a troubled debt restructuring for each credit.

(5) Within thirty (30) days from this Order, the Board shall prepare a written program designed to ensure that the Bank complies with Paragraphs (2) and (4) of this Article, that contains at a minimum:

(a) immediate and ongoing training for the lending staff and management with respect to the application of Subparagraph (g) of Paragraph (4) of this Article;

(b) procedures to ensure that loan officers, staff and management are held accountable for failing to comply with Paragraphs (2) and (4) of this Article, including but not limited to, consideration of loan officer, staff and management failures in periodic performance reviews and compensation; and

(c) procedures for the review and approval in advance of any return to accrual status, or risk rating upgrade of any loan or lending relationship totaling five-hundred thousand dollars ($500,000) or more, by a majority of the Board of Directors or a designated committee thereof that is supported by written documentation for the basis of the return to accrual status or upgrade that is maintained in the books and records of the Bank.

Article V

<u>Problem Loan Management</u>

(1) Effective as of the date of this Order, the Board 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 of this Order, the Board shall prepare and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, a written program designed to reduce the Bank's criticized assets (the "Problem Assets Program"). The Problem Assets Program shall include or address the following matters:

(a) aggregate reporting of criticized asset levels by type to the Board or a designated committee thereof every month; and

(b) specific plans for the reduction of criticized assets by asset type with target reductions by month.

(3) The Board's compliance with Paragraph (2) of this Article shall include the development of procedures for the monthly review and preparation of written determinations by the Board or a designated committee thereof regarding the effectiveness of the responsible officer's efforts to eliminate the weaknesses in each criticized credit relationship totaling five hundred thousand dollars ($500,000) or more, and that require the preparation of Problem Asset Reports ("PARs" or "PAR") that contain, at a minimum, analysis and documentation of the following:

(a) an identification of the expected sources of repayment and an analysis of their adequacy;

(b) the appraised value of supporting collateral and the position of the Bank's lien on such collateral where applicable as well as other necessary documentation to support the collateral valuation;

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

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

(e) trigger dates for positive borrower actions or for loan officers to reassess the strategy, enact collection plans, and make appropriate downgrades or place on nonaccrual;

(f) a determination of whether the loan is impaired and the amount of the impairment, consistent with Accounting Standards Codification 310-10 (formerly known as FASB Statement of Financial Accounting Standards No. 114), Accounting by Creditors for Impairment of a Loan; and

(g) for criticized relationships of five-hundred thousand dollars ($500,000) or above that were made for the purpose of constructing or developing CRE, the PARs shall also include:

  (i) the initial scheduled maturity date of the loan, number of extensions and/or renewals, and current maturity date;

  (ii) project development status;

  (iii) a comparison of development costs to the budgeted amount;

  (iv) a comparison of sales activity to the original sales projections;

(v) amount of initial interest reserve and the amount of any subsequent additions to the reserve;

(vi) an assessment of the borrower's global cash flow;

(vii) an assessment of any guarantor's global cash flow; and

(viii) any other significant information relating to the project.

(4) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the program required by this Article.

(5) A copy of each PAR prepared during the month of each quarter end (e.g., March, June, September, and December), along with any Board comments regarding the effectiveness of the effort to eliminate the weaknesses in each credit, shall be submitted to the Assistant Deputy Comptroller within fifteen (15) days of each calendar quarter end.

(6) Effective as of the date of this Order, the Bank may not 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 of credit equal or exceed five hundred thousand dollars ($500,000), unless each of the following conditions is met:

(a) the Board or a designated committee thereof 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 Board or a designated committee thereof approves the credit extension and documents in writing, the reasons that such extension is necessary to promote the best interests of the Bank; and

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

Article VI

Loan Review

(1) Within thirty (30) days of this Order, the Board shall employ a qualified, independent consultant or firm to perform an asset quality review of the Bank's loan portfolio with the report due no later than ninety (90) days from this Order. The proposed consultant or firm may not be the same consultant or firm who has performed loan risk rating or loan review procedures for the Bank in either of the last two years. The review shall provide for a written report to be filed with the Board, and use a loan grading system consistent with GAAP and the guidelines set forth in Rating Credit Risk, A-RCR, of the *Comptroller's Handbook*. Such reports shall, at a minimum, include the consultant's or firm's comments and conclusions regarding:

(a) the identification, type, rating, and amount of all criticized loans;

(b) the identification and amount of delinquent and nonaccrual loans;

(c) the identification/status of credit related violations of law or regulation;

(d) credit underwriting and documentation exceptions;

(e) credit analysis and documentation of such analysis;

(f) accuracy of internal risk ratings;

(g) completeness and effectiveness of problem loan workout plans;

(h) loans and other extensions of credit considered exceptions to, or not in conformance with, the Bank's lending policies and procedures;

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

(j) overall credit administration practices;

(k) concentrations of credit;

(l) the accuracy of the Bank's recognition of troubled debt restructurings;

(m) the accuracy of specific allocations for impaired loans to the Allowance for Loan and Lease Losses;

(n) an evaluation of the Bank's efforts to manage and account for its Other Real Estate in accordance with Generally Accepted Accounting Principles ("GAAP");

(o) loans and leases to affiliates, insiders, and related parties; and

(p) any recommendations for improvements.

(2) Prior to the appointment or employment of any consultant or firm or entering into any contract with any consultant or firm, the Board shall submit the name and qualifications of the proposed consultant or firm and the proposed scope and terms of employment to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. After the OCC has advised the Bank that it does not take supervisory objection to the consultant or firm, and the scope of the review, the Board shall immediately engage the consultant or firm pursuant to the proposed terms of the engagement.

(3) The Board or a designated committee shall review the independent loan review reports and ensure that, if appropriate, immediate, adequate, and continuing remedial action, is taken upon the findings noted in the reports.

(4) A copy of the reports submitted to the Board, as well as a summary of remedial actions taken and, if appropriate, planned, shall be documented and provided to the Assistant Deputy Comptroller by no later than February 29, 2012.

(5) Within ninety (90) days of this Order, the Board shall take the necessary steps to ensure the Bank maintains 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 system shall provide for a written report to be filed with the Board after each review and shall use a loan and lease grading system consistent with GAAP and the guidelines set forth in Rating Credit Risk, A-RCR, of the *Comptroller's Handbook*. The quarterly loan review reports shall include, at a minimum, conclusions regarding Subparagraphs (a) through (p) of Paragraph (1) of this Article.

Article VII

Allowance for Loan and Lease Losses

(1) Effective immediately, the Board shall take the necessary steps to ensure the Bank maintains and appropriate Allowance for Loan and Lease Losses ("Allowance") in accordance with GAAP. The Allowance policies and procedures shall be consistent with the guidance set forth in the Federal Financial Institutions Examination Council's "Interagency Policy Statement on the Allowance for Loan and Lease Losses" dated December 13, 2006 (OCC Bulletin 2006-47), and July 20, 2001 (OCC Bulletin 2001-37), and shall at a minimum include:

(a) procedures for determining whether a loan is impaired and measuring the amount of impairment, consistent with Accounting Standards Codification 310-10 (formerly known as FASB Statement of Financial Accounting Standards No. 114);

(b) procedures for segmenting the loan portfolio and estimating loss on groups of loans, consistent with Accounting Standards Codification 310-10 and 450-20 (formerly known as FASB Statement of Financial Accounting Standards No. 5, Accounting for Contingencies);

(c) procedures for validating the Allowance methodology;

(d) procedures to ensure that the estimation of credit losses considers the relevant qualitative and environmental factors, with particular focus on the following:

(i) trends in the Bank's internal risk ratings, delinquent and nonaccrual loans;

(ii) results of the Bank's internal and external loan reviews;

(iii) concentrations of credit in the Bank, present and prospective economic conditions; and

(iv) applicable experience of the Bank's lending staff.

(2) The program shall provide for a process for summarizing and documenting, for the Board's review and approval, the amount to be reported in the Consolidated Reports of Condition and Income ("Call Reports") for the Allowance. Any deficiency in the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the Call Report, 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) The Board shall take the necessary steps to ensure that an independent review and test of the Allowance sufficiency is performed prior to the filing of each Call Report beginning with the quarter ending December 31, 2011.

Article VIII

Closing

(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 Assistant Deputy Comptroller, 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) If, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States 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) The provisions of this Order 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.

(4) In each instance in this Order in which the Bank or the Board is required to ensure implementation of or adherence to, or to undertake to perform, an obligation of the Bank, the Board shall:

(a) authorize and adopt such actions on behalf of the Bank as may be necessary or appropriate for the Bank to perform its obligations under 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 for any non-compliance with such actions.

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

(6) 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.

IN TESTIMONY WHEREOF, the undersigned has hereunto set her hand.

/s/ November 21, 2011

Patrice M. Persick-Ciurej
Assistant Deputy Comptroller
Des Moines Field Office

Date

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

In the Matter of:	)	
Community State Bank, N.A.	)	AA-WE-11-86
Ankeny, Iowa	)	

STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller") intends to initiate cease and desist proceedings against Community State Bank, N.A., Ankeny, Iowa ("Bank"), pursuant to 12 U.S.C. § 1818(b), for unsafe and unsound banking practices relating to its Board and management oversight and credit risk management and administration.

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated November 22, 2011 (the "Order");

In consideration of the above premises, 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

(1) 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*.

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

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

ARTICLE II

Agreement

(1) The Bank, without admitting or denying any wrongdoing, hereby consents and agrees to the issuance of the Order by the Comptroller.

(2) The Bank further agrees 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 agrees 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(i). 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(i), 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.

(3) 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 III

Waivers

(1) 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), 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 IV

Other Action

(1) The Bank agrees that 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, it 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 her hand on behalf of the Comptroller.

/s/	November 22, 2011
Patrice M. Persick-Ciurej Assistant Deputy Comptroller Des Moines Field Office	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.

/s/	November 22, 2011
Alan Brazelton	Date
/s/	November 22, 2011
Brian J. McLoughlin	Date
/s/	November 22, 2011
Ronald M. Nagel	Date
/s/	November 22, 2011
David P. Taylor	Date
/s/	November 22, 2011
John R. Van Diest	Date
/s/	November 22, 2011
Robert A. Van Diest	Date