#2012-128

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

In the Matter of:	)	
Summit National Bank	)	AA-WE-12 -55
Hulett, Wyoming	)	

CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller"), through his National Bank Examiner, has supervisory authority over Summit National Bank, Hulett, Wyoming ("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 June 5, 2012, 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) Within five (5) days of this Order, the Board shall appoint a Compliance Committee of at least four (4) directors of which at least two (2) may not be employees 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 be submitted in writing to the Assistant Deputy Comptroller.

(2) The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Order and shall meet at least monthly.

(3) By no later than June 30, 2012, and by the end of every calendar month thereafter, the Compliance Committee shall submit a written progress report to the Board 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.

(4) 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 fifteen (15) days of the end of each calendar quarter.

(5) 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
Salt Lake City Field Office
2795 East Cottonwood Parkway, Suite 390
Salt Lake City, Utah, 84121

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

Article II

<u>Capital and Strategic Plan</u>

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

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

(b) total risk-based capital at least equal to twelve percent (12.0%) 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 ninety (90) days of this Order, the Board shall develop a written strategic plan for the Bank covering at least the next three years (hereafter the "Bank's Three-Year Plan"), complete with specific time frames that incorporate the 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) 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 quantifiable measures with specific implementation dates, individual responsibilities, and accountability to ensure the Bank attains sustained earnings to support capital and liquidity;

(d) the identification of present and future product line development (assets and liabilities) and market segments that the Bank intends to develop or promote;

(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 pursuant to this Article;

(f) specific plans to establish responsibilities and accountability for the strategic planning process, new products, proposed changes in the Bank's operating environment, reduction of problem assets, Bank-wide consistent application of policies and procedures, and the maintenance of adequate liquidity;

(g) specific management, staffing and other changes necessary to implement the Bank's Three-Year Plan and attain compliance with this Order that is consistent with the findings and recommendations contained in Article III;

(h) control systems to identify and reduce risk to earnings, capital, reputation, and liquidity, and risks associated with any proposed changes in the Bank's operating environment;

(i) recognition that the Bank cannot offer or introduce new products, enter new market segments, or significantly expand any existing product unless it first develops appropriate systems, controls, and expertise to manage and control the associated risks;

(j) concentration limits that reflect the Board's objectives and limitations for the Bank's risk profile;

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

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

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

(n) 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;

(o) 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

(p) 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 III

<u>Management and Board Supervision</u>

(1) Within ninety (90) days of this Order, the Board shall take the necessary steps to eliminate the deficiencies in management leadership and Board oversight as described in the Report of Examination conducted as of December 31, 2011 (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.

(2) Within ninety (90) 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 (including appropriate policies and procedures) designed to correct the Bank's deficiencies in Board and management oversight and corporate governance, including, but not limited to:

(a) the development of revised operating policies and procedures designed to ensure:

(i) the Board provides proper oversight of the affairs of the Bank;

(ii) the Board receives and reviews sufficient Bank information from management (including scope, frequency and content) on the operation of the Bank to enable them to provide proper oversight and fulfill their fiduciary duties and other responsibilities under law;

(iii) the Bank establishes and maintains proper lines of authority, reporting responsibilities, and delegation of duties for all officers, as well as job descriptions for all officers; and

(iv) the Board eliminates any managerial or other deficiencies in the supervision or organizational structure of the Bank;

(b) the development of a comprehensive conflict of interest policy applicable to the Bank's directors, principal shareholders, executive officers, affiliates, and employees ("Insiders") and related interests of such Insiders. The policy, in addition to defining a conflict of interest, shall address:

(i) avoidance of conflicts of interest and breaches of fiduciary duty, and the appearance of conflicts of interest;

(ii) involvement in the loan approval process of Insiders who may benefit directly or indirectly from the decision to grant credit;

(iii) disclosure of actual and potential conflicts of interest to the Board, and periodic disclosure of "related interests" as defined by 12 C.F.R. Part 215;

(iv) requirements for arms-length dealing in any transactions by Insiders, or their related organizations, involving the Bank's sale, purchase, or rental of property and services;

(v) disclosure of any Insider's material interest in the business of a borrower, an applicant, or other customer of the Bank; and

(vi) restrictions on and disclosure of receipt of anything of value by Insiders, directly or indirectly, from borrowers, loan applicants, other customers, or suppliers of the Bank;

(c) the development of procedures to ensure accurate regulatory and Board reporting;

(d) the development of revised internal controls to monitor policy adherence;

(e) procedures to ensure that Bank management is actively engaged in the operation and affairs of the Bank;

(f) the assignment of accountability for processes; and

(g) the development of policies and procedures to ensure that management appropriately responds to any audit or compliance criticisms, and regulatory violations of law, unsafe or unsound banking practices, breaches of fiduciary duty, 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) formal review and approval by the Board of management's proposed actions to be taken;

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

(iv) retention in the Bank's books and records of:

(A) all written responses to material criticisms; and

(B) documentation of Board approval of the written responses.

(3) 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.

(4) Within thirty (30) days of the adoption of the conflict of interest policy, the Board shall conduct a review of the Bank's existing relationships with, and loans for the last three years to, its directors, executive officers, affiliates, principal shareholders, employees and their related interests for the purpose of identifying loans and relationships not in conformity with the policy. The Board shall ensure that:

(a) any existing loans or nonconforming relationships are brought into conformity with the policy within ninety (90) days; and

(b) that within ninety (90) days, the Bank is properly reimbursed for:

(i) any preferential loan terms;

(ii) any excess or improper payments to Insiders and their related interests; and

(iii) any excess or improper payments for services provided by Insiders and their related interests.

Thereafter, the Board shall review all loans, proposed transactions, or modifications of existing relationships, between the Bank and any of its directors, executive officers, affiliates, principal shareholders, employees and their related interests. Documentation supporting these reviews shall be in writing and preserved in the Bank.

Article IV

Loan Portfolio Risk Management

(1) 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, revisions to the Bank's loan policy, as well as any necessary procedures to address weaknesses in the Bank's loan portfolio risk management, that, at a minimum, include:

(a) requirements for the periodic performance of loan stress testing and/or sensitivity analysis for agricultural loan relationships totaling one-hundred thousand dollars ($100,000) or more, to quantify the impact of common stresses such as varying input costs, commodity prices, and interest rates;

(b) inclusion of the Bank's conflict of interest policy required by Article III of this Order;

(c) requirements for compliance with 12 C.F.R. Part 34 and the "Interagency Appraisal and Evaluation Guidelines," dated December 10, 2010, to include at a minimum:

(i) the establishment of criteria for obtaining and reviewing updated appraisals, new appraisals, and evaluations;

(ii) the development of procedures to ensure that appraisals, updates and evaluations are ordered in a timely manner;

(iii) the development of procedures to ensure that appraisals, updates and evaluations are reviewed in a timely manner; and

(iv) the establishment of a tickler system for tracking when appraisals, updates and evaluations are received, reviewed and adjustments are made, as appropriate, to reflect FAS 114 impairment and changes in risk ratings;

(d) requirements for independent, on-site inspections with written reports detailing the condition of agricultural collateral, at least annually, for aggregate borrowings exceeding fifty thousand dollars ($50,000).

(2) Within sixty (60) days of this Order, the Board shall develop procedures for the monthly submission and review of problem asset reports for all criticized credit relationships and REO totaling two-hundred fifty thousand dollars ($250,000) or above (including any sold portion), that require, at a minimum, analysis and documentation of the following:

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

(b) the current 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 borrower actions or for loan officers to reassess the strategy and enact collection plans;

(f) specific action plans and trigger dates for risk rating changes and documentation of the analysis and reasoning to support the current risk rating;

(g) 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).

(3) A copy of each current problem asset report relating to criticized credit relationships and REO totaling two-hundred fifty thousand dollars ($250,000) or above, along with any Board comments regarding the effectiveness of the effort to eliminate the weaknesses in each credit or to dispose of the REO, shall be submitted to the Assistant Deputy Comptroller within fifteen (15) days of the end of each calendar quarter.

(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, policies and procedures required by this Article.

Article V

Credit Underwriting and Administration

(1) Effective as of the date of this Order, the Board shall ensure that all lending officers comply with all laws, rules, regulations, Bank policies and procedures, safe and sound banking practices, and fiduciary duties.

(2) Within sixty (60) days of the date of this Order, the Board shall review, revise, and thereafter ensure adherence to the Bank's Loan Policy to include, at a minimum, revisions relating to:

(a) accurate definitions of and appropriate methodologies to correctly calculate "cash flow," "global cash flow," "debt service coverage," and "global debt service coverage;"

(b) making and documenting determinations regarding the customer's ability to repay the credit on the proposed repayment terms, including an evaluation of both primary and secondary sources of repayment, as well as a global cash flow analysis that considers all customer debt service requirements;

(c) the establishment of underwriting standards by loan type that specifically include at a minimum, the requirements of this Paragraph: approval authorizations; documentation; analysis; repayment periods; collateral coverage (loan to cost and loan to value); guarantor support; appraisals; and loan covenants;

(d) expectations regarding required credit file information for each different lending product offered;

(e) requirements that lending officers appropriately analyze and document appropriate credit and collateral information on all extensions of credit, to include, at a minimum:

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

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

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

(iv) determining and documenting whether the loan complies with the Bank's Loan Policy and if it does not comply, providing identification of the exception and ample justification to support waiving the policy exception;

(v) verification of liquid assets that the Bank is relying on as a source of repayment;

(vi) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable;

(vii) ongoing requirements for obtaining and analyzing financial statements; and

(viii) ongoing requirements for obtaining periodic collateral inspections as appropriate.

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

(g) guidelines and limitations on concentrations of credit;

(h) 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;

(i) measures to correct the deficiencies in the Bank's lending procedures noted in any Report of Examination;

(j) guidelines consistent with Banking Circular 255, setting forth the criteria under which renewals of extensions of credit may be approved. At a minimum the policy shall:

  (i) ensure that renewals are not made for the sole purpose of reducing the volume of loan delinquencies; and

  (ii) provide guidelines and limitations on the capitalization of interest;

(k) charge-off guidelines, by type of loan or other asset, including Other Real Estate Owned, addressing the circumstances under which a charge-off would be appropriate and ensuring the recognition of losses within the quarter of discovery;

(l) requirement to establish a training policy for loan officers to ensure they understand policy requirements;

(m) guidelines for periodic review of the Bank's adherence to the revised lending policy; and

(n) guidelines for periodic review and revision of the lending policy.

(3) Within sixty (60) days of the date of this Order, the Board shall take the necessary steps to obtain current and satisfactory credit information on all loans lacking such information, including those listed in the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination.

(4) Within sixty (60) days of the date of this Order, the Board shall ensure proper collateral documentation is maintained on all loans and correct each collateral exception listed in the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination.

(5) Within sixty (60) days of the date 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 and underwriting guidelines for all loans. 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.

Article VI

Credit Risk Ratings and Nonaccrual Recognition

(1) Effective immediately, the Board shall take the necessary steps to ensure that the risk associated with the Bank's loans is properly reflected and accounted for on the Bank's books and records, to include, at a minimum, the monthly review of all credit relationships that equal or exceed two hundred fifty thousand dollars ($250,000) by the loan officers to ensure that:

(a) the Bank's loans and other assets are appropriately and timely risk rated and charged off using a loan grading system that is based upon current facts, existing repayment terms and that is consistent with the guidelines set forth in Rating Credit Risk, A-RCR, of the *Comptroller's Handbook*; and

(b) the Bank's loans and other assets are timely placed on nonaccrual in accordance with the guidelines set forth in the Call Report.

(2) By no later than June 30, 2012, the Board shall prepare a written program designed to ensure that the Bank complies with Subparagraphs (a) and (b) of this Article, which contains at a minimum:

(a) immediate and ongoing training for the lending staff with respect to the application of Subparagraphs (a) and (b) of this Article; and

(b) procedures to ensure loan officers are held accountable for failing to appropriately and timely risk rate and/or place loans on nonaccrual, including, but not limited to, consideration of loan officer and staff failure to properly risk rate and/or place loans on nonaccrual in periodic performance reviews and compensation.

(3) After the Board has developed the program required by this Article, the Board shall immediately implement, and shall thereafter ensure adherence to its terms.

ARTICLE VII

Allowance for Loan and Lease Losses

(1) Within sixty (60) days of this Order, the Board shall revise, adopt, implement, and thereafter ensure adherence to written policies and procedures for maintaining an 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; and

(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 external loan review;

(iii) concentrations of credit in the Bank;

(iv) present and prospective economic conditions; and

(v) 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 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.

Article VIII

External Loan Review

(1) Within sixty (60) days of this Order, the Board shall employ a qualified consultant to perform ongoing asset quality reviews of the Bank's loan portfolio. The scope of the external loan review shall include all credit relationships totaling one hundred fifty thousand dollars or more ($150,000) on an annual basis, and provide for a written report to be filed with the Board after each review, with the first report due no

later than August 31, 2012, and shall use a loan and lease grading system consistent with the guidelines set forth in Rating Credit Risk, A-RCR, of the *Comptroller's Handbook*. Such reports shall, at a minimum, include comments and conclusions regarding:

(a) the loan review scope and coverage;

(b) 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 and nonaccrual loans;

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

(f) loans not in conformance with the Bank's lending policies;

(g) credit underwriting and documentation exceptions;

(h) credit analysis and documentation of such;

(i) accuracy of internal risk ratings;

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

(k) overall credit administration practices; and

(l) completeness and effectiveness of problem loan workout plans.

(2) Prior to the appointment or employment of any individual as loan review consultant or entering into any contract with any consultant, the Board shall submit the name and qualifications of the proposed consultant 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 loan review consultant or the scope of the review, the Board shall immediately engage the loan review consultant pursuant to the proposed terms of the engagement.

(3) The Board or a designated committee thereof 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 documentation of the action taken by the Bank to collect or strengthen assets identified as problem credits, shall be maintained in the books and records of the Bank.

(5) The Bank shall not terminate the consultant's asset quality review services without a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.

Article IX

<u>Closing</u>

(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/ 06/05/12

Dixie R. Claybrook. Date
Assistant Deputy Comptroller
Salt Lake City Field Office

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

In the Matter of:	)	
Summit National Bank	)	AA-WE-12-55
Hulett, Wyoming	)	

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 Summit National Bank, Hulett, Wyoming ("Bank"), pursuant to 12 U.S.C. § 1818(b) through the issuance of a Notice of Charges for an Order to Cease and Desist for unsafe and unsound banking practices relating to the Bank's Board and management oversight, capital adequacy, credit risk management, loans to insiders and affiliates, interest rate risk management, and Consumer and compliance.

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated June 5, 2012 (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 this Order;

I all rights to a hearing and a final agency decision with regard to the issuance of this Order 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 with regard to the issuance of this 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, has hereunto set her hand on behalf of the Comptroller.

/s/	06/05/2012
Dixie R. Claybrook. Assistant Deputy Comptroller Salt Lake City 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/	06/05/2012
Brian Elkin	Date
/s/	06/05/2012
Desiree Elkin	Date
/s/	06/05/2012
Clarence Elkin	Date
/s/	06/05/2012
Margaret Culverwell	Date
/s/	06/05/2012
Don Anderson	Date
	Date
	Date