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UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of	Order No.: MW-08-02
OMNIAMERICAN BANK	Effective Date: March 25, 2008
Fort Worth, Texas. OTS Docket No. 17995	

ORDER TO CEASE AND DESIST

WHEREAS, OMNIAMERICAN BANK, Fort Worth, Texas, OTS Docket No. 17995 (Savings Association), by and through its Board of Directors (Board) has executed a Stipulation and Consent to the Issuance of an Order to Cease and Desist (Stipulation); and

WHEREAS, Savings Association, by executing the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist (Order) by the Office of Thrift Supervision (OTS) pursuant to 12 U.S.C. § 1818(b); and

WHEREAS, pursuant to delegated authority, the OTS Regional Director for the Midwest Region (Regional Director) is authorized to issue consent Orders to Cease and Desist where a savings association has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED THAT:

I. Order to Cease and Desist

Savings Association and its directors, officers, employees, and agents shall cease and desist from any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding and abetting any violation of 12 C.F.R. § 568.5, OTS's

regulation governing the protection of customer information.

II. Corrective Provisions.

A. IT Security Remediation and Action Plan

1. By April 30, 2008, the Board, with the assistance of qualified consultant(s), shall adopt a plan (hereinafter referred to as the IT Security Remediation and Action Plan) to address, at a minimum, the following matters: (a) the findings noted in all information technology (IT) audits, vulnerability and security assessments, and tests and unresolved as of the Effective Date of this Order; (b) the implementation of short-term and long-term remediation corrective actions relating to information security incidents between December 26, 2007 and January 18, 2008; (c) Savings Association's Information Technology Security Review and Action Plan for 2007-2008 and the 2008 IT initiatives approved by the Board; (d) the implementation of Savings Association's Information Security Policy Review Proposal and Web Application Vulnerability Assessment Proposal during the calendar year 2008; (e) compliance with payment card provider agreements; (f) the enhancement of processes and procedures to detect intrusions; and (g) ongoing monitoring systems.

2. The IT Security Remediation and Action Plan also shall set forth the specific actions for Savings Association to become fully compliant with all applicable guidelines set forth in Section 341 (Information Technology Risks and Control) of the OTS Examination Handbook, all applicable OTS Chief Executive Officer (CEO) Memoranda and other OTS issuances, and the following Federal Financial Institutions Examination Council's (FFIEC's) Information Technology Examination Handbook booklets: Audit (August 2003), Business Continuity Planning (March 2003), Development and Acquisition (April 2004), E-Banking (August 2003), Information Security (July 2003), Management (June 2004), Operations (July 2004), and Outsourcing Technology Services (June 2004).

3. The IT Security Remediation and Action Plan shall, at a minimum: (a) incorporate a formal planning methodology, (b) set forth specific timeframes based on Savings Association's revised IT risk assessment and risk assessment required under Appendix B to 12 C.F.R. Part 570, and (c) assign specific responsibilities for the accomplishment of tasks, the monitoring of the implementation process, and Board oversight.

4. By April 30, 2008, the Board shall submit the IT Security Remediation and Action Plan to OTS for review and comment. The Board shall revise the IT Security Remediation and Action Plan within thirty (30) days of receiving OTS's comments. The IT Security Remediation and Action Plan, as modified pursuant to OTS's comments, shall be incorporated into this Order and any deviation from such Plan shall be a violation of this Order.

5. Beginning the first day of the month following the receipt of OTS's comments, management shall provide to the Board, with a copy to OTS, a progress report regarding the actions taken to meet the requirements of the IT Security Remediation and Action Plan, including any required amendments pursuant to Paragraph IIA.4 of this Order. The progress reports shall, at a minimum, address compliance with specific deadlines and provide definitive plans to correct any variances from the IT Security Remediation and Action Plan. The Board's review of the progress reports shall be documented in the minutes of the monthly Board meetings.

B. IT Staffing and Training Plan

1. By April 18, 2008, the Board, with the assistance of qualified consultant(s), shall review whether the Savings Association's current staff has the requisite expertise, training, and resources, and adequate time, at a minimum: (a) to implement and monitor the IT Security Remediation and Action Plan; and (b) to revise, implement, and monitor the Customer Information Security Program within the timeframes acceptable to OTS (hereinafter referred to

as the Staffing Review). For purposes of this Order, nothing shall be deemed "acceptable" to OTS unless the Regional Director, Regional Deputy Director, or the assigned Assistant Director has stated in writing that it is acceptable or has provided a written notice of non-objection.

2. By May 16, 2008, the Board shall adopt a plan (hereinafter referred to as the IT Staffing and Training Plan) to address, at a minimum, the following matters: (a) the deficiencies, if any, noted in the Staffing Review, with specific timeframes for completion; (b) the outsourcing of functions to facilitate the timely implementation and monitoring of the IT Security Remediation and Action Plan; (c) the hiring of qualified consultants or qualified personnel for Savings Association's staff with the appropriate certifications and with experience in website security, penetration testing, malware analysis, telecommunication security, and network security; and (d) the training of the current IT and internal audit staffs regarding intrusion prevention and detection, fraud, and suspicious activities.

3. By May 16, 2008, the Board shall submit the IT Staffing and Training Plan to OTS for review and comment. The Board shall revise the IT Staffing and Training Plan within thirty (30) days of receiving OTS's comments. The IT Staffing and Training Plan, as modified pursuant to OTS's comments, shall be incorporated into this Order and any deviation from such Plan shall be a violation of this Order.

4. Beginning the first day of the month following the receipt of OTS's comments, management shall provide monthly reports to the Board, with a copy to OTS, regarding Savings Association's compliance with the IT Staffing and Training Plan, including any required amendments pursuant to Paragraph IIB.3 of this Order. The Board's review of the IT Staffing and Training Plan shall be documented in minutes of the monthly Board meetings.

C. <u>Incident Response Program</u>

1. By June 30, 2008, the Board shall adopt a revised and updated Incident Response

Program that addresses:

(a) the specific actions to be taken when Savings Association suspects or detects access by unauthorized individuals to customer information systems, including, but not limited to all requirements of payment card provider agreements; and

(b) the guidelines of FFIEC's Interagency Guidance on Response Program for Unauthorized Access to Customer Information and Customer Notice set forth in Supplement A to Appendix B to 12 C.F.R. Part 570; OTS CEO Memorandum 214, entitled "Interagency Guidance on Response Programs for Unauthorized Access to Customer Information and Customer Notice", dated March 30, 2005 and Section 341 (Information Technology Risks and Control) of OTS Examination Handbook.

2. The Incident Response Program shall address, at a minimum, the following:

(a) the assessment of the risk, nature, and scope of all incidents and a determination of whether further action is required;

(b) the identification of what customer information may have been accessed or misused;

(c) prompt notification to OTS once Savings Association becomes aware of an incident involving unauthorized access to, or use of sensitive customer information;

(d) prompt notification to appropriate law enforcement authorities, in addition to the timely filing of a suspicious activity report, in situations involving Federal criminal violations requiring immediate attention;

(e) specific measures to contain and control the incident to prevent further unauthorized access to, or misuse of customer information, while preserving

records and other evidence;

(f) review of any compensating controls; and

(g) notification to customers and the provision of customer concessions when warranted.

3. The Incident Response Program also shall require: (a) the maintenance of a security event log that records all known incidents and decisions regarding the incidents, and (b) periodic review of the security event log to ensure that all incidents have been resolved in accordance with the Incident Response Program and applicable FFIEC and OTS policies and guidance.

4. By June 30, 2008, the Board shall submit the revised Incident Response Program to OTS for review and comment. The Board shall revise the Incident Response Program within thirty (30) days of receiving OTS's comments. The Incident Response Program, as modified pursuant to OTS's comments, shall be incorporated into this Order and any deviation from such Program shall be a violation of this Order.

III. Compliance with the Order.

Beginning with its Board meeting in the month of April, 2008, and each monthly or special Board meeting thereafter, the Board shall adopt a certified copy of a Board resolution (Compliance Resolution) formally resolving that, following a diligent inquiry of relevant information (including a report from Savings Association's management regarding Savings Association's compliance with each provision of this Order), to the best of its knowledge and belief, during the immediately preceding month, Savings Association has complied with each provision of this Order currently in effect, except as otherwise stated. The Compliance Resolution shall: (a) specify in detail how, if at all, full compliance was found not to exist; and (b) identify all notices of exemption or non-objection issued by OTS that were outstanding as of the date of its adoption. In the event that one or more directors do not agree with the

representations set forth in a Compliance Resolution, such views shall be noted in the Compliance Resolution. Nothing contained herein shall diminish the responsibility of the entire Board to ensure the Board's compliance with the provisions of this Order. Within five (5) business days of the Board meeting, the Board shall submit a copy of the Compliance Resolution to OTS.

IV. Effective Date, Incorporation of Stipulation.

This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

V. Duration.

This Order shall remain in effect until terminated, modified or suspended, by written notice of such action by OTS, acting by and through its authorized representatives.

VI. Time Calculations.

(a) Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be calendar based, unless otherwise noted; and

(b) The Regional Director or an OTS authorized representative may extend any of the deadlines set forth in the provisions of this Order upon written request by Savings Association that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

VII. Submissions and Notices.

(a) All submissions, including progress reports, to OTS that are required by or contemplated by this Order shall be submitted within the specified timeframes;

(b) Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Order shall be in writing and sent by first class U.S.

mail (or by reputable overnight carrier, electronic facsimile transmission or hand delivery by messenger) addressed as follows:

(i) To OTS:

Regional Director
Attn: Vivian Carlton, Assistant Director
Office of Thrift Supervision
225 E. John Carpenter Freeway, Suite 500
Irving, TX 75062
Phone: (972) 277-9546
Fax: (972) 277-9553

(ii) To Savings Association:

Tim Carter
Chief Executive Officer
OmniAmerican Bank
1320 South University Drive, Suite 900
Fort Worth, TX 76107
Phone: (817) 367-4900
Fax: (817) 367-4819

VIII. No Violations Authorized.

Nothing in this Order or the Stipulation shall be construed as allowing Savings Association, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: /S/
Daniel T. McKee
Acting Regional Director, Midwest Region

Date: See Effective Date on page 1

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of	)	Order No.: MW-08-02
OMNIAMERICAN BANK	)	Effective Date: March 25, 2008
Fort Worth, Texas. OTS Docket No. 17995	)	

STIPULATION AND CONSENT TO ISSUANCE OF ORDER TO CEASE AND DESIST

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Midwest Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed OmniAmerican Bank, Fort Worth, Texas, OTS Docket No. 17995 (Savings Association) that OTS is of the opinion that grounds exist to initiate an administrative proceeding against Savings Association pursuant to 12 U.S.C. § 1818(b);

WHEREAS, the Regional Director, pursuant to delegated authority, is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order; and

WHEREAS, Savings Association desires to cooperate with OTS to avoid the time and expense of such administrative cease and desist proceedings by entering into this Stipulation and Consent to the Issuance of Order to Cease and Desist (Stipulation) and, without admitting or

denying that such grounds exist, but only admitting the statements and conclusions in Paragraph 1 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

1. Jurisdiction.

(a) Savings Association is a "savings association" within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, Savings Association is "an insured depository institution" as that term is defined in 12 U.S.C. § 1813(c); and

(b) Pursuant to 12 U.S.C. § 1813(q), the Director of OTS is the "appropriate Federal banking agency" with jurisdiction to maintain an administrative enforcement proceeding against a savings association. Therefore, Savings Association is subject to the authority of OTS to initiate and maintain an administrative cease-and-desist proceeding against it pursuant to 12 U.S.C. § 1818(b).

2. OTS Findings of Fact.

OTS finds Savings Association has deficiencies in the implementation and monitoring of its information technology and customer information security programs. These deficiencies, in part, led to the loss of certain customer information and the temporary loss of funds from some of its customers' accounts by an unauthorized intrusion. OTS also finds that such deficiencies constitute a violation of 12 C.F.R. § 568.5 (OTS's regulation governing the protection of customer information). Savings Association has initiated actions to remediate the loss of customer information and unauthorized withdrawals and to reimburse the affected customers.

3. Consent.

Savings Association consents to the issuance by OTS of the accompanying Order to Cease and Desist (Order). Savings Association further agrees to comply with the terms of the

Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

4. Finality.

The Order is issued by OTS under 12 U.S.C. § 1818(b) and upon the Effective Date it shall be a final order, effective and fully enforceable by OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers.

Savings Association waives the following:

(a) The right to be served with a written notice of OTS's charges against it as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;

(b) The right to an administrative hearing of OTS's charges as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;

(c) The right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and

(d) Any and all claims against OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes or otherwise.

6. OTS Authority Not Affected.

Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar or otherwise prevent OTS from taking any other action affecting Savings Association if at any time OTS deems it appropriate to do so to fulfill the responsibilities placed upon OTS by law.

7. **Other Governmental Actions Not Affected.**

Savings Association acknowledges and agrees that its consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 6 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of Savings Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than OTS.

8. **Miscellaneous.**

(a) The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order;

(b) If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise;

(c) All references to OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns;

(d) The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order;

(e) The terms of this Stipulation and of the Order represent the final agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters; and

(f) The Stipulation and Order shall remain in effect until terminated, modified, or

suspended in writing by OTS, acting through its Regional Director or other authorized representative.

9. Signature of Directors/Board Resolution.

Each Director signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of Savings Association to the issuance of the Order and the execution of the Stipulation. This Stipulation may be executed in counterparts by the directors after approval of execution of the Stipulation at a duly called board meeting. A copy of the Board Resolution authorizing execution of this Stipulation shall be delivered to OTS, along with the executed original(s) of this Stipulation.

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WHEREFORE, Savings Association, by its directors, executes this Stipulation.

OMNIAMERICAN BANK
Fort Worth, Texas

By: /S/
Clyde R. Johnson
Chairman

/S/
Timothy H. Carter, Chief Executive Officer, President, and Director

/S/
S. Elaine Anderson, Director

/S/
Joan L. Anthony, Director

/S/
Wayne P. Burchfield, Director

/S/
Patti A. Callan, Director

/S/
Norman G. Carroll, Director

/S/
Patrick D. Conley, Director

/S/
James M. Herring, Director

/S/
Lonnie L. Vance, Director

OFFICE OF THRIFT SUPERVISION

By: /S/
Daniel T. McKee
Acting Regional Director
Midwest Region

Date: See Effective Date on page 1