

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of	)	
	)	Order No.: CN 10-35
	)	
FIRST FEDERAL SAVINGS AND	)	
LOAN ASSOCIATION OF PEKIN	)	Effective Date: November 9, 2010
	)	
	)	
Pekin, Illinois	)	
OTS Docket No. 04812	)	
	)	

ORDER TO CEASE AND DESIST

WHEREAS, First Federal Savings and Loan Association of Pekin, Pekin, Illinois, OTS Docket No. 04812 (Association), by and through its Board of Directors (Board), has executed a Stipulation and Consent to Issuance of an Order to Cease and Desist (Stipulation); and

WHEREAS, the 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 Central Region (Regional Director) is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED that:

Cease and Desist.

1. The Association and its directors, officers, and employees shall cease and desist from any

action (alone or with others) for or toward, causing, bringing about, participating in, counseling, or aiding and abetting the unsafe or unsound practices and/or violations of law or regulation that resulted in the Association operating with: (a) an inadequate level of capital protection for the volume, type and quality of assets held by the Association; and (b) inadequate earnings to augment capital as described in the OTS Report of Examination of the Association dated May 3, 2010 (2010 ROE).

Capital.

2. By December 31, 2010, the Association shall have and maintain: a Tier 1 (Core) Capital Ratio equal to or greater than six and one-half percent (6.5%) after the funding of an adequate Allowance for Loan and Lease Losses (ALLL); and a Total Risk-Based Capital Ratio equal to or greater than twelve percent (12%).¹

3. By March 31, 2011, the Association shall have and maintain: a Tier 1 (Core) Capital Ratio equal to or greater than eight percent (8%) after the funding of an adequate ALLL; and a Total Risk-Based Capital Ratio equal to or greater than twelve percent (12%).

Capital Plan.

4. By December 31, 2010, the Association shall submit a written plan for the period covering January 1, 2011 through December 31, 2013 to achieve and maintain the Association's capital at the levels prescribed in Paragraphs 2 and 3 (Capital Plan) that is acceptable to the Regional Director. At a minimum, the Capital Plan shall:

- (a) identify the specific sources of additional capital and the timeframes and methods by which additional capital will be raised, including specific target dates and

¹ The requirement in Paragraphs 2 and 3 to have and maintain a specific capital level means that the Association may not be deemed to be "well-capitalized" for purposes of 12 U.S.C. §1831o and 12 C.F.R. Part 565, pursuant to 12 C.F.R. §565.4(b)(1)(iv).

corresponding capital levels;

(b) detail the Association's capital preservation and enhancement strategies with specific narrative goals;

(c) address the requirements and restrictions imposed by this Order relating to capital;

(d) address all corrective actions set forth in the 2010 ROE relating to capital; and

(e) include detailed quarterly financial projections, including Tier 1 (Core) and Total Risk-Based Capital Ratios, for the period covered by the Capital Plan.

5. Upon receipt of written notification from the Regional Director that the Capital Plan is acceptable, the Association shall implement and adhere to the Capital Plan. A copy of the final Capital Plan shall be provided to the Regional Director within ten (10) days after the Board meeting.

Contingency Plan.

6. Within fifteen (15) days after: (a) the Association fails to meet the capital requirements prescribed in Paragraphs 2 and 3; (b) the Association fails to comply with the Capital Plan prescribed in Paragraph 4; or (c) any written request from the Regional Director, the Association shall submit a written Contingency Plan that is acceptable to the Regional Director.

7. The Contingency Plan shall detail the actions to be taken, with specific time frames, to achieve one of the following results by the later of the date of receipt of all required regulatory approvals or sixty (60) days after the implementation of the Contingency Plan: (a) merger with, or acquisition by, another federally insured depository institution or holding company thereof; or (b) voluntary dissolution by filing an appropriate application with the OTS in conformity with applicable laws, regulations and regulatory guidance.

8. Upon receipt of written notification from the Regional Director, the Association shall implement and adhere to the Contingency Plan immediately. The Association shall provide the Regional Director with written status reports detailing the Association's progress in implementing the Contingency Plan by no later than the first (1st) and fifteenth (15th) of each month following implementation of the Contingency Plan.

Asset Quality.

9. By December 31, 2010, the Association shall develop an individual written specific workout plan for each adversely classified loan (Classified Loan) or group of such Classified Loans to any one borrower or loan relationship of two hundred thousand dollars (\$200,000) or greater (collectively, Classified Loan Workout Plans). Each Classified Loan Workout Plan shall:

- (a) contain detailed strategies to eliminate the basis of criticism or classification for each loan;
- (b) include specific timeframes for the completion of all actions;
- (c) include a list of any credit and collateral documentation that is needed to comply with the Association's lending and appraisal policies; and
- (d) detail the actions the Association will take to obtain any needed credit and collateral documentation.

10. Within forty-five (45) days after the end of each quarter, beginning with the quarter ending December 31, 2010, the Association shall submit a quarterly written loan status report (Quarterly Loan Report) to the Board. The Board's review of the Quarterly Loan Report shall be documented in the Board meeting minutes. The Quarterly Loan Report shall include, at a minimum:

- (a) the current status of all Classified Loan Workout Plans;
 - (b) the ratio of all adversely classified loans to Tier 1 (Core) capital plus ALLL;
 - (c) a comparison of adversely classified loans at the current quarter end with the preceding quarter;
 - (d) a discussion of the actions taken during the preceding quarter to reduce the Association's level of adversely classified loans and loans designated as Special Mention; and
 - (e) any recommended revisions or updates to the Classified Loan Workout Plans.
11. Within sixty (60) days after the end of each quarter, a copy of the Quarterly Loan Report shall be provided to the Regional Director.

Restriction on Lending to Classified Borrowers.

12. Effective immediately, the Association shall not extend, directly or indirectly, without prior written non-objection from the Regional Director, any additional credit to, or for the benefit of, any borrower who has a loan or other extension of credit from the Association that has been charged off or classified, in whole or in part, as a "Loss" and has not been collected. The Association's expenses incurred in connection with its real estate owned, including in-substance foreclosures, are not covered by this Paragraph.
13. Effective immediately, the Association shall not extend, directly or indirectly, any additional credit to or for the benefit of any borrower who has loans with the Association that are adversely classified as "Substandard" unless prior to extending such additional credit whether in the form of a renewal, extension, or further advance of funds, such additional credit shall be approved by the Board or a designated committee thereof, who shall certify in writing:
- (a) the reasons why the extension of such credit is in the best interests of the

Association using current underwriting information, such as updated borrower financial information and a current appraisal, if applicable; and

(b) that an appropriate workout plan has been developed and will be implemented in conjunction with the additional credit to be extended.

The signed certification shall be made a part of the minutes of the meeting of the Board or designated committee with a copy retained in the borrower's credit file.

External Loan Review.

14. Within ninety (90) days, the Association shall retain a consulting firm acceptable to the Regional Director to perform a comprehensive external loan review (Loan Review). The Loan Review shall: (a) assign a credit quality rating to each loan reviewed; and (b) evaluate the loan underwriting and loan administration for each loan reviewed.

15. Within one hundred fifty (150) days, the Loan Review shall be completed and a written report covering each area set out in Paragraph 14 shall be prepared by the retained consulting firm that shall be delivered simultaneously to the Board and Regional Director. The Board shall review the findings of the report, adopt revisions to the Association's loan classification and/or the Association's policies and procedures as appropriate, and submit to the Regional Director a copy of Board meeting minutes addressing its response to the report, including an explanation for each rejection of a recommendation, within sixty (60) days of the Board's receipt of the report.

Credit Administration.

16. Within sixty (60) days, the Association shall develop and implement credit administration policies, procedures, practices, and controls (Credit Administration Policy) to ensure that it addresses all corrective actions in the 2010 ROE relating to credit administration. The Credit

Administration Policy shall comply with all applicable laws, regulations and regulatory guidance and include, at a minimum:

- (a) revisions to the Association's commercial real estate (CRE) loan policy to (i) establish specific debt service coverage ratios for each loan type, and (ii) require current financial information for all CRE borrowers that demonstrates each borrower's ability to meet contractual debt service obligations;
- (b) development of a troubled debt restructuring (TDR) policy that sets forth the conditions and underwriting criteria for TDRs; and
- (c) development of a concentration program that identifies, monitors, and mitigates risk associated with concentrations of assets and liabilities, including the establishment of comprehensive concentration limits expressed as a percentage of Tier 1 (Core) Capital plus ALLL.

Investment Securities Policy.

17. Within ninety (90) days, the Association shall revise its investment securities policies and procedures (Investment Securities Policy) to address all corrective actions set forth in the 2010 ROE relating to investment securities. The Investment Policy shall comply with applicable laws, regulations and regulatory guidance, and:

- (a) describe the manner in which securities having below investment grade ratings will be evaluated to determine if any other than temporary impairment (OTTI) should be recognized;
- (b) require all securities having below investment grade ratings to be classified at least "Substandard;" and

- (c) provide for the periodic reporting of securities having below investment grade ratings to the Board.

Business Plan.

18. By December 31, 2010, the Association shall submit an updated comprehensive business plan for the period covering January 1, 2011 through December 31, 2013 (Business Plan). At a minimum, the Business Plan shall conform to applicable laws, regulations and regulatory guidance and include:

- (a) plans to improve the Association's core earnings and achieve profitability;
- (b) strategies for ensuring that the Association has the financial and personnel resources necessary to implement and adhere to the Business Plan and adequately support the Association's risk profile;
- (c) quarterly pro forma financial projections (balance sheet, regulatory capital ratios, and income statement) for each quarter covered by the Business Plan; and
- (d) identification of all relevant assumptions made in formulating the Business Plan and a requirement that documentation supporting such assumptions be retained by the Association.

19. Upon receipt of written notification from the Regional Director that the Business Plan is acceptable, the Association shall implement and adhere to the Business Plan. A copy of the Business Plan shall be provided to the Regional Director within ten (10) days after the Board meeting.

20. Any material modifications² to the Business Plan must receive the prior written non-objection of the Regional Director. The Association shall submit proposed material modifications to the Regional Director at least forty-five (45) days prior to implementation.

21. By December 31, 2011, and each December 31st thereafter, the Business Plan shall be updated and submitted to the Regional Director pursuant to Paragraph 18 above incorporating the Association's budget plan and profit projections for the next three (3) fiscal years taking into account any revisions to the Association's loan, investment and operating policies.

22. Within forty-five (45) days after the end of each quarter, after implementation of the Business Plan, the Board shall review quarterly variance reports on the Association's compliance with the Business Plan (Variance Reports). The Variance Reports shall:

- (a) identify variances in the Association's actual performance during the preceding quarter as compared to the projections set forth in the Business Plan;
- (b) contain an analysis and explanation of identified variances; and
- (c) discuss the specific measures taken or to be taken to address identified variances.

23. A copy of each Variance Report shall be provided to the Regional Director within ten (10) days after the Board meeting.

Management.

24. The Association shall have a Chairman of the Board, Chief Executive Officer, Chief Financial Officer, and Chief Lending Officer. Such officers shall have qualifications and experience commensurate with his or her duties and responsibilities at the Association, including, but not limited to, the ability to:

² A modification shall be considered material under this Paragraph if the Association plans to: (a) engage in any activity that is inconsistent with the Business Plan; or (b) exceed the level of any activity contemplated in the Business Plan by more than ten percent (10%).

- (a) comply with the requirements of this Order in a timely and effective manner;
- (b) operate the Association in a safe and sound manner;
- (c) comply with applicable laws, rules, and regulations; and
- (d) implement and adhere to a sound business plan that restores all aspects of the Association to a safe and sound condition, including improvements in asset quality, earnings, liquidity, and funds management.

Management Succession Plan.

25. By December 31, 2010, the Board shall develop and submit for Regional Director review and comment a written plan for management succession at the Association (Management Succession Plan). The written Management Succession Plan shall:

- (a) identify the Association officers covered by the Management Succession Plan, such as the Chief Executive Officer, Chief Financial Officer, and Chief Lending Officer;
- (b) identify possible successors for the officer positions from current employees of the Association based on a list of skills and competencies desired for each officer position or indicate where outside recruiting will be necessary;
- (c) require the establishment of career development and training plans for potential officer candidates; and
- (d) require periodic evaluation by the Board of whether the goals and outcomes of the Management Succession Plan need updating or adjusting.

26. Upon receipt of written notification from the Regional Director that the Management Succession Plan is acceptable, the Association shall implement and adhere to the Management Succession Plan. The Board's review of the Management Succession Plan shall be documented in the Board meeting minutes.

Violations of Law.

27. Within thirty (30) days, the Association shall ensure that all violations of law and/or regulation discussed in the 2010 ROEs are corrected and that adequate policies, procedures and systems are established or revised and thereafter implemented to prevent future violations.

Conflicts of Interest Policy.

28. Within ninety (90) days, the Association shall develop and submit to the Regional Director a written conflicts of interest policy (Conflicts of Interest Policy) applicable to Insiders of the Association and their related interests, as defined in 12 C.F.R. § 215.2. At a minimum, the Conflicts of Interest Policy shall:

- (a) require compliance by the Association and its Insiders with all applicable laws, regulations, and regulatory guidance, including but not limited to 12 C.F.R. §§ 563.41, 564.43, 563.200, and 563.201; 12 C.F.R. Parts 215 and 223; and Section 310 (Oversight by the Board of Directors) of the OTS Examination Handbook;
- (b) define conflicts of interest, including the appearance of conflicts of interest, and breaches of fiduciary duty;
- (c) contain guidance for when legal consultation will be sought for transactions involving Insiders;
- (d) require the disclosure of actual and potential conflicts of interest to the Board, and annual disclosure of related interests by Insiders as defined by 12 CFR § 215.2(n);
- (e) require the disclosure of any Insider's material interest in the business of a borrower, an applicant, or other customer of the Association; and
- (f) require the establishment of a system of internal controls to monitor the Association's compliance with the Conflicts of Interest Policy, including but not limited

to, the submission of an immediate written report to the Board with a copy to the Regional Director of : (i) any violation of 12 C.F.R. §§ 563.41, 563.43, 563.200, or 563.201; 12 C.F.R. Parts 215 or 223, or any suspected violation of these regulations and the circumstances of the actual or suspected violation; or (ii) any noncompliance or exception to the Conflicts of Interest Policy.

29. Upon receipt of written notification from the Regional Director that the Conflicts of Interest Policy is acceptable, the Association shall implement and adhere to the Conflicts of Interest Policy. The Board's review of the Conflicts of Interest Policy shall be documented in the Board meeting minutes.

30. The Association shall have appropriate processes, personnel, and control systems to effectively implement and adhere to the Conflicts of Interest Policy.

Growth.

31. Effective immediately, the Association shall not increase its total assets during any quarter in excess of an amount equal to net interest credited on deposit liabilities during the prior quarter without the prior written non-objection of the Regional Director. The growth restriction imposed by this Paragraph shall remain in effect until the Association receives the Regional Director's written notice of non-objection of its Business Plan pursuant to Paragraph 19 of this Order.

Brokered Deposits.

32. Effective immediately, the Association shall comply with the requirements of 12 C.F.R. § 337.6(b). The Association shall provide to the Regional Director a copy of any waiver request submitted to the Federal Deposit Insurance Corporation.

Golden Parachute Payments.

33. Effective immediately, the Association shall not make any golden parachute payment³ unless, with respect to such payment, the Association has complied with the requirements of 12 C.F.R. Part 359.

Directorate and Management Changes.

34. Effective immediately, the Association shall comply with the prior notification requirements for changes in directors and Senior Executive Officers⁴ set forth in 12 C.F.R. Part 563, Subpart H.

Employment Contracts and Compensation Arrangements.

35. Effective immediately, the Association shall not enter into any new contractual arrangement or renew, extend, or revise any contractual arrangement relating to compensation or benefits for any director or Senior Executive Officer of the Association, unless it first provides the Regional Director with not less than thirty (30) days prior written notice of the proposed transaction. The notice to the Regional Director shall include a copy of the proposed employment contract or compensation arrangement or a detailed, written description of the compensation arrangement to be offered to such director or Senior Executive Officer, including all benefits and perquisites. The Board shall ensure that any contract, agreement, or arrangement submitted to the Regional Director fully complies with the requirements of 12 C.F.R. Part 359, 12 C.F.R. §§ 563.39 and 563.161(b), and 12 C.F.R. Part 570 – Appendix A.

Third Party Contracts.

36. Effective immediately, the Association shall not enter into any arrangement or contract with a third party service provider that is significant to the overall operation or financial

³ The term “golden parachute payment” is defined at 12 C.F.R. § 359.1(f).

⁴ The term “Senior Executive Officer” is defined at 12 C.F.R. § 563.555.

condition of the Association⁵ or outside the Association's normal course of business unless, with respect to each such contract, the Association has: (a) provided the Regional Director with a minimum of thirty (30) days prior written notice of such arrangement or contract and a written determination that the arrangement or contract complies with the standards and guidelines set forth in OTS Thrift Bulletin 82a; and (b) received written notice of non-objection from the Regional Director.

Effective Date, Incorporation of Stipulation.

37. 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.

Duration.

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

Time Calculations.

39. Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be based on calendar days, unless otherwise noted.

40. 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 the Association that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

Submissions and Notices.

41. All submissions, including any reports, to the OTS that are required by or contemplated by this Order shall be submitted within the specified timeframes.

⁵ A contract will be considered significant to the overall operation or financial condition of the Association where the annual contract amount equals or exceeds two percent (2%) of the Association's total capital, where there is a foreign service provider, or where it involves information technology that is critical to the Association's daily operations without regard to the contract amount.

42. 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:

(a) **To the OTS:**

Regional Director
Office of Thrift Supervision
One South Wacker Drive, Suite 2000
Chicago, Illinois 60606
Facsimile: (312) 917-5001

(b) **To the Association:**

Chairman of the Board
First Federal Savings & Loan Association of Pekin
532 Court Street
Pekin, Illinois 61554
Facsimile: (309) 347-4226

No Violations Authorized.

43. Nothing in this Order or the Stipulation shall be construed as allowing the 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
Regional Director, Central Region

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of	)	
	)	Order No.: CN 10-35
	)	
	)	
FIRST FEDERAL SAVINGS AND	)	Effective Date: November 9, 2010
LOAN ASSOCIATION OF PEKIN	)	
	)	
	)	
Pekin, Illinois	)	
OTS Docket No. 04812	)	
	)	

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 Central Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed First Federal Savings and Loan Association of Pekin, Pekin, Illinois, OTS Docket No. 04812 (Association) that the OTS is of the opinion that grounds exist to initiate an administrative proceeding against the 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, the Association desires to cooperate with the OTS to avoid the time and expense of such administrative cease and desist proceeding 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 Paragraphs 1 and 2 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

Jurisdiction.

1. The Association is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, the Association is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).
2. Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings association. Therefore, the Association is subject to the authority of the OTS to initiate and maintain an administrative cease and desist proceeding against it pursuant to 12 U.S.C. § 1818(b).

OTS Findings of Fact.

3. Based on a comprehensive examination of the Association, the OTS finds that the Association has engaged in unsafe or unsound banking practices and/or violations of law or regulation by operating with: (a) an inadequate level of capital protection for the volume, type and quality of assets held by the Association; and (b) inadequate earnings to augment capital as described in the OTS Report of Examination of the Association dated May 3, 2010 (2010 ROE).

Consent.

4. The Association consents to the issuance by the OTS of the accompanying Order to Cease and Desist (Order). The 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.

Finality.

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

Waivers.

6. The Association waives the following:

- (a) the right to be served with a written notice of the 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 the 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 the 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.

OTS Authority Not Affected.

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

Other Governmental Actions Not Affected.

8. The 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 7 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

Miscellaneous.

9. The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order.

10. 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.

11. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

12. 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.

13. 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.

14. The Stipulation and Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Regional Director or other authorized representative.

Signature of Directors/Board Resolution.

15. Each Director signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of the 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.

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

**FIRST FEDERAL SAVINGS AND
LOAN ASSOCIATION OF PEKIN
Pekin, Illinois**

Accepted by:
Office of Thrift Supervision

_____/s/
James D. Hill, Director

By:_____/s/
Daniel T. McKee
Regional Director, Central Region

_____/s/
Albert F. Knight, Director

Date: See Effective Date on page 1

_____/s/
Patrick A. McElwee, Director

_____/s/
D. Earl Riley, Director

_____/s/
Marilyn K. Smiser, Director