

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

In the Matter of:)
Omni National Bank)
Atlanta, GA)

AA-EC-08-72

CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”), through his National Bank Examiner, has examined Omni National Bank, Atlanta, Georgia (“Bank”), and his findings are contained in the Report of Examination dated as of December 31, 2007 (“ROE”);

WHEREAS, in the interests of cooperation, the Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a Stipulation and Consent to the Issuance of a Consent Order (“Stipulation and Consent”), dated 10/7/08, that is accepted by the Comptroller. By this Stipulation and Consent, which is incorporated by reference herein, the Bank, without admitting or denying any wrongdoing, has consented to the issuance of this Consent Order (“Order”) by the Comptroller; and

NOW, THEREFORE, the Comptroller, acting by and through his designated representative and by virtue of the authority conferred by 12 U.S.C. § 1818(b), **HEREBY ORDERS THAT:**

ARTICLE I

COMPLIANCE COMMITTEE

- (1) Within ten (10) days, the Board shall appoint a Compliance Committee of at least three (3) directors, none of whom shall be an employee or controlling shareholder 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 Director for Special Supervision (“Director”). The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Order.

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

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

- (a) a description of the actions needed to achieve full compliance with each Article of this Order;
- (b) actions taken to comply with each Article of this Order; and
- (c) the results and status of those actions.

(4) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Director within ten (10) days of receiving such report.

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

Director for Special Supervision
Comptroller of the Currency
250 E Street, S.W.
Mail Stop 6-4
Washington, DC 20219

with a copy to:

Atlanta Field Office
Comptroller of the Currency
Three Ravinia Drive, Suite 550
Atlanta, GA 30346

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

ARTICLE II

STRATEGIC PLAN

(1) Within ninety (90) days, the Board shall forward to the Director for his review pursuant to paragraph (4) of this Article a written Strategic Plan for the Bank covering at least a three-year period. At the next Board meeting following receipt of the Director's determination of no supervisory objection, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to the Strategic Plan. The Strategic Plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital adequacy, reduction in the volume of nonperforming assets, product line development and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives and, at a minimum, include:

- (a) a mission statement that forms the framework for the establishment of strategic goals and objectives;
- (b) a description of the Bank's targeted market(s) and an assessment of the current and projected risks and competitive factors in its identified target market(s);
- (c) the strategic goals and objectives to be accomplished;
- (d) specific actions to improve Bank earnings and accomplish identified strategic goals and objectives;

- (e) Bank personnel who are responsible and accountable for achieving each goal and objective of the Strategic Plan, including specific time frames;
- (f) a financial forecast to include projections for major balance sheet and income statement accounts, targeted financial ratios, and growth projections over the period covered by the Strategic Plan;
- (g) a description of the assumptions used to determine financial projections and growth targets;
- (h) an identification and risk assessment of the Bank's present product lines (assets and liabilities), and an identification and risk assessment of future product lines prior to the offering of such product lines that will be utilized to accomplish the strategic goals and objectives established in (1)(c) of this Article;
- (i) control systems to mitigate risks associated with planned new products, growth, or any proposed changes in the Bank's operating environment;
- (j) an evaluation of the Bank's internal operations, staffing requirements, board and management information systems and policies and procedures for their adequacy and contribution to the accomplishment of the goals and objectives established under (1)(c) of this Article;
- (k) a management employment and succession program to promote the retention and continuity of capable management;
- (l) assigned responsibilities and accountability for the strategic planning process, new products, growth goals, or proposed changes in the Bank's operating environment; and

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

(2) On at least a monthly basis, the Board shall review financial reports and earnings analyses that evaluate the Bank's performance against the Strategic Plan and that contain a written explanation of significant differences, including extraordinary and/or nonrecurring items, in actual vs. projected balance sheet, income and expense accounts. Upon completion, a copy of the reports shall be submitted to the Director.

(3) On at least a quarterly basis, the Board shall evaluate the Bank's performance against the Strategic Plan and require the Bank to prepare written explanations of the reasons behind any differences between actual performance and the Bank's strategic goals and objectives, and a description of the actions the Board will require the Bank to take to address any shortcomings, which shall be documented in the Board meeting minutes. Upon completion, a copy of the evaluation shall be submitted to the Director.

(4) Prior to adoption by the Board, a copy of the Strategic Plan, and any subsequent amendments or revisions, shall be forwarded to the Director for review and prior written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Director, the Bank shall immediately implement and adhere to the Strategic Plan.

(5) The Bank may not initiate any action which deviates significantly from the Board-approved Strategic Plan without a written determination of no supervisory objection from the Director. The Board must give the Director advance, written notice of its intent to deviate significantly from the Strategic Plan, along with an assessment of the impact of such change on the Bank's condition, including a profitability analysis and an evaluation of the adequacy of the Bank's organizational structure, staffing, management information systems, internal controls, and

written policies and procedures to identify, measure, monitor, and control the risks associated with the change in the Strategic Plan.

(6) For the purposes of this Article, changes that may constitute a significant deviation from the Strategic Plan include, but are not limited to, a change in the Bank's marketing strategies, marketing partners, underwriting practices and standards, credit administration, account management, collection strategies or operations, fee structure or pricing, accounting processes and practices, or funding strategy, any of which, alone or in aggregate, may have a material impact on the Bank's operations or financial performance; or any other changes in personnel, operations, or external factors that may have a material impact on the Bank's operations or financial performance. For purposes of this paragraph (6), personnel shall include the president, chief executive officer, chief operating officer, chief financial officer, chief credit officer, chief compliance officer, risk manager, auditor, member of the Bank's board of directors, or any other position subsequently identified in writing by the Director.

ARTICLE III

CAPITAL PLAN AND HIGHER MINIMUMS

(1) The Bank shall maintain the following minimum capital levels (as defined in 12 C.F.R. Part 3)¹:

- (a) Tier 1 capital at least equal to twelve percent (12%) of risk-weighted assets;
- (b) Tier 1 capital at least equal to nine percent (9%) of adjusted total assets.²

(2) Within ninety (90) days, the Board shall forward to the Director for his review pursuant to paragraph (3) of this Article a written Capital Plan for the Bank, consistent with the

¹ The requirement in this Order to meet and maintain a specific capital level means that the Bank may not be deemed to be "well capitalized" for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6 pursuant to 12 C.F.R. § 6.4(b)(1)(iv).

² Adjusted total assets is defined in 12 C.F.R. § 3.2(a) as the average total asset figure used for call report purposes minus end-of-quarter intangible assets.

Bank's Strategic Plan required by Article II, covering at least a three-year period. At the next Board meeting following receipt of the Director's determination of no supervisory objection, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to the Capital Plan. The Capital Plan shall include:

- (a) specific plans for the maintenance of adequate capital that may in no event be less than the requirements of paragraph (1);
- (b) projections for growth and capital requirements based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (c) projections of the sources and timing of additional capital to meet the Bank's future needs as set forth in the Strategic Plan;
- (d) the primary sources from which the Bank will maintain an appropriate capital structure to meet the Bank's future needs as set forth in the Strategic Plan;
- (e) specific plans detailing how the Bank will comply with restrictions or requirements set forth in this Order and 12 U.S.C. § 1831o, including the restrictions against brokered deposits in 12 C.F.R. § 337.6;
- (f) contingency plans that identify alternative methods should the primary source(s) under (d) above not be available; and
- (g) a dividend policy that permits the declaration of a dividend only:
 - (i) when the Bank is in compliance with its approved Capital Plan and will remain in compliance with its approved Capital Plan and paragraph (1) of this Article immediately following the payment of any dividend;
 - (ii) when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and

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

(3) Prior to adoption by the Board, a copy of the Capital Plan shall be submitted to the Director for prior determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Director, the Bank shall immediately implement and adhere to the Capital Plan. The Board shall review and update the Bank's Capital Plan on an annual basis or more frequently if necessary, or if requested by the Director. Revisions to the Bank's Capital Plan shall be submitted to the Director for prior determination of no supervisory objection

(4) If the Director determines, in his sole judgment, that the Bank failed to submit an acceptable Capital Plan as required by paragraph (2) of this Article, or fails to implement or adhere to a Capital Plan for which the Director has taken no supervisory objection pursuant to paragraph (3) of this Article; then within thirty (30) days of receiving written notice from the Director of such fact, the Bank shall develop and shall submit to the Director for his review and prior written determination of no supervisory objection a Disposition Plan, which shall detail the Board's proposal to sell or merge the Bank, or liquidate the Bank under 12 U.S.C. § 181.

(5) In the event that the Disposition Plan submitted by the Bank's Board outlines a sale or merger of the Bank, the Disposition Plan, at a minimum, shall address the steps that will be taken and the associated timeline to ensure that a definitive agreement for the sale or merger is executed not later than ninety (90) days after the receipt of the Director's written determination of no supervisory objection to the Disposition Plan. If the Disposition Plan outlines a liquidation of the Bank, the Disposition Plan shall detail the actions and steps necessary to accomplish the liquidation in conformance with 12 U.S.C. §§ 181 and 182, and the dates by which each step of the liquidation shall be completed, including the date by which the Bank will terminate the national bank charter. In the event of liquidation, the Bank shall hold a shareholder vote pursuant

to 12 U.S.C. § 181, and commence liquidation, within thirty (30) days of receiving the Director's written determination of no supervisory objection to the Disposition Plan.

(6) After the Director has advised the Bank in writing that he does not take supervisory objection to the Disposition Plan, the Board shall immediately implement, and shall thereafter ensure adherence to, the terms of the Disposition Plan. Failure to submit a timely, acceptable Disposition Plan, or failure to implement and adhere to the Disposition Plan after the Board obtains a written supervisory non-objection from the Director, may be deemed a violation of this Order, in the exercise of the Director's sole discretion.

ARTICLE IV

NEW CHIEF CREDIT OFFICER/SENIOR LOAN OFFICER

(1) Within sixty (60) days, the Board shall identify and submit to the Director, pursuant to paragraph (2) of this Article, a proposed new, qualified and capable Chief Credit Officer/Senior Loan Officer who shall be vested with sufficient executive authority to fulfill the duties and responsibilities of the position and ensure the safe and sound operation of the Bank.

(2) Prior to the appointment of any individual pursuant to paragraph (1), the Board shall submit to the Director written notice as required by 12 C.F.R. § 5.51 and in accordance with the Comptroller's Licensing Manual, to include a position description, duties and responsibilities. The Director shall have the power to disapprove the appointment of the proposed officer. However, the failure to exercise such veto power shall not constitute an approval or endorsement of the proposed officer.

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

ARTICLE V

LIQUIDITY MANAGEMENT PROGRAM

(1) Within thirty (30) days, the Board shall develop and maintain a comprehensive liquidity management program which assesses, on an ongoing basis, the Bank's current and expected funding needs, and ensures that sufficient funds or access to funds exist to meet those needs. Such a program must include effective methods to achieve and maintain sufficient liquidity, and to measure and monitor liquidity risk, to include at a minimum:

- (a) a deposit maturity schedule by deposit type, including brokered deposits and uninsured deposits, showing the balances that can be withdrawn immediately, maturities on a weekly basis for the next two months and monthly for the following ten months, which schedule shall be updated at least weekly;
- (b) a funding obligation schedule including outstanding lines of credit, unfunded loan commitments, and outstanding letters of credit, showing the obligations that can be drawn immediately, on a weekly basis for the next two months and monthly for the following ten months, which schedule shall be updated at least weekly;
- (c) a listing of funding sources, updated weekly, including:
 - (i) federal funds sold;
 - (ii) borrowing lines by lender, including original amount, remaining availability, type and book value of collateral pledged, terms, and maturity date, if applicable;
 - (iii) unpledged assets and assets available for sale; and
 - (iv) other available sources of funds to meet liquidity needs.

- (d) a sources and uses of funds report covering each of the next four weeks, updated weekly, which reflects known and projected changes in asset and liability accounts under best case and worst case scenarios, and the assumptions used in developing the projections, to include:
 - (i) projected additional funding requirements from, a reduction in deposit accounts including uninsured and brokered deposits, cancellation of unsecured borrowing lines or ability to acquire federal funds purchased, or availability limitations or reductions associated with secured borrowing relationships;
 - (ii) projected additional funding sources, including loan payments, loan sales/participations, or deposit increases; and
 - (iii) projected impact of reputation, economic and credit conditions in the Bank's market.
- (e) strategies to maintain sufficient liquidity at reasonable costs including, but not limited to, the following:
 - (i) better diversification of funding sources, with particular emphasis on increasing traditional core funding; and
 - (ii) increasing liquidity through such actions as obtaining additional capital, limits on asset growth, aggressive collection of problem loans and recovery of charged-off assets, and asset sales.
- (f) A contingency funding plan that forecasts funding needs, and funding sources under a stressed scenario which:
 - (i) represents management's best estimate of balance sheet changes that may result from a liquidity or credit event;

- (ii) identifies, quantifies, establishes, and ranks all sources of funding by preference for best case and worst case scenarios, including asset funding, liability funding and off-balance sheet funding; and
- (iii) ensures that administrative policies and procedures are consistent with the Board's guidance and risk tolerances.

(2) The Board shall submit a copy of the comprehensive liquidity management program, along with the weekly schedules and reports required by this Article to the Director for review.

ARTICLE VI

LOAN PORTFOLIO MANAGEMENT

(1) The Board shall, within ninety (90) days, adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to a written credit policy to improve the Bank's loan portfolio management. The credit policy shall include, but not be limited to:

- (a) requirements that extensions of credit are granted, by renewal or otherwise, to any borrower only after obtaining current and sufficient credit information to fully assess the borrower's and guarantor(s) cash flow, debt service requirements, contingent liabilities, and liquidity on a global basis, and only after preparing a documented credit analysis;
- (b) a description of the types of credit information required on borrowers and guarantors including, but not limited to, annual audited statements, interim financial statements, personal financial statements, supporting schedules and tax returns;
- (c) procedures to validate and analyze income and liquidity sources for extensions of credit to all borrowers;

- (d) adequate training in cash flow preparation and analysis, particularly from tax returns, for Bank personnel performing credit analyses, and processes to ensure that additional training is provided as needed;
- (e) procedures to ensure that extensions of credit are granted, by renewal or otherwise, to any borrower only after obtaining and documenting a current valuation of collateral;
- (f) procedures and controls to periodically verify the existence and lien position of collateral;
- (g) procedures which prohibit, on any loan renewal or extension, the capitalization of accrued interest;
- (h) procedures which prohibit, on any loan renewal or extension, the establishment of an interest reserve using any Bank loan proceeds to the same borrower or guarantor;
- (i) procedures which establish time frames to resolve credit and collateral documentation exceptions;
- (j) early problem loan identification to assure that credits are accurately risk rated on at least a monthly basis, pursuant to the risk ratings definitions contained in the Bank's credit policy and consistent with applicable regulatory guidance;
- (k) a performance appraisal process, including performance appraisals, job descriptions, and incentive programs for loan officers, which adequately considers their performance relative to policy compliance, documentation standards, accuracy in credit grading, and other loan administration matters; and

(1) procedures to track and analyze concentrations of credit, significant economic factors, and general conditions and their impact on the credit quality of the Bank's loan portfolio.

(2) Where the Bank deviates from the Bank's credit policy, exceptions shall be clearly documented on the loan offering sheet, problem loan report and other management information systems, and these exceptions shall receive the prior written approval by the Board or a designated committee thereof.

(3) Upon completion, a copy of the credit policy shall be forwarded to the Director for review.

ARTICLE VII

LOAN POLICIES

(1) Within ninety (90) days, the Board shall review, revise, and thereafter ensure Bank adherence to written lending policies, procedures and management information systems. These policies shall include, but are not limited to:

- (a) establishing and enforcing prudent lending and approval limits for lending officers commensurate with their experience and qualifications, which also prohibit lending officers combining their individual lending authority;
- (b) establishing reasonable limits on credit advances against real estate or other collateral based upon realistic assessments of the value of collateral, including, but not limited to, the ratio of loan to value and debt service requirements;
- (c) establishing requirements that all borrowers and/or guarantors maintain collateral margins established in the credit approval process;

- (d) establishing minimum requirements for uniform and comprehensive credit analysis, including a full disclosure of all significant aspects of the proposed credit and an assessment of the risks involved, prior to credit approval;
- (e) establishing procedures to ensure that financial information on borrowers and guarantors includes detailed and comprehensive data on assets, liabilities, income, expense, contingent liabilities, and periodic operating statements;
- (f) collection procedures, to include follow-up efforts, that are systematically and progressively stronger;
- (g) guidelines setting forth the criteria under which renewals of extensions of credit may be approved, which at a minimum shall ensure that renewals are not made for the sole purpose of reducing the volume of loan delinquencies;
- (h) 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;
- (i) guidelines for periodic review of the Bank's adherence to the revised lending policy; and
- (j) measures to correct the deficiencies in the Bank's lending procedures noted in any ROE or any internal or external review.

(2) The Board shall immediately ensure the Bank's management information systems ("MIS") are improved to include, at a minimum, the following requirements

- (a) development of systems or procedures to identify, record, and track missing, incomplete, or imperfect loan and collateral documentation, including lacking or outdated appraisals and operating statements;
- (b) development of a central information file report aggregating customer liability relationships with the Bank;
- (c) development of systems and reports identifying each real estate loan and project that evidences one or more of the following characteristics: slower than anticipated sales, lease or rental activity; slower than anticipated construction progress, cost overruns, or other impediments to orderly project completion.

(3) A copy of the Bank's revised policies, procedures and MIS shall be forwarded to the Director, and the Board shall implement and ensure the Bank's adherence to the revised policies and procedures.

(4) Where the Bank deviates from these loan policies, exceptions shall be clearly documented on the loan offering sheet, problem loan report and other MIS; these exceptions shall be subject to the approval by the Board or a designated committee thereof.

ARTICLE VIII

CONSTRUCTION LOAN UNDERWRITING STANDARDS

(1) Within ninety (90) days, the Board shall develop, implement, and thereafter adhere to a written program to improve its construction loan underwriting standards. The program shall include, but not be limited to, procedures for ensuring that:

- (a) market feasibility analyses are performed on construction projects;
- (b) cash flow analyses are performed on construction loan borrowers;

- (c) current rental and sales information is maintained in all construction projects;
 - (d) periodic inspections are performed on all construction projects; and
 - (e) all construction loans are either in conformity with the Bank's construction loan policies and procedures or in compliance with the Bank's written provisions for exceptions to loan policies and procedures.
- (2) Upon completion, the Board shall submit a copy of the program to the Director for review.

ARTICLE IX

CONCENTRATIONS OF CREDIT

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written commercial real estate (“CRE”) concentration management program (including appropriate revisions to policies and procedures) designed to manage the risk in the Bank's CRE loan portfolio in accordance with the guidelines 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, booklet of the *Comptroller's Handbook*. The program shall include, but not necessarily be limited to, the following:

- (a) establish policy guidelines and approve an overall CRE lending strategy regarding the level and nature of CRE exposures acceptable to the institution, including any specific commitments to particular borrowers or property types, such as multifamily housing;

- (b) ensure that management implements procedures and controls to effectively adhere to and monitor compliance with the institution's lending policies and strategies;
- (c) review information that identifies and quantifies the nature and level of risk presented by CRE concentrations, including reports that describe changes in CRE market conditions in which the institution lends;
- (d) periodically review and approve CRE risk exposure limits and appropriate sublimits (for example, by nature of concentration) to conform to any changes in the institution's strategies and to respond to changes in market conditions;
- (e) require periodic portfolio-level stress tests or sensitivity analysis to quantify the impact of changing economic conditions on asset quality, earnings, and capital;
- (f) perform ongoing market analyses for the various property types and geographic markets represented in its portfolio; and
- (g) ensure management develops appropriate strategies for managing CRE concentration levels, including a contingency plan to reduce or mitigate concentrations in the event of adverse CRE market conditions.

(2) The Board shall forward a copy of the program required in paragraph (1) above, and any CRE concentration reports, studies, and analyses to the Director.

ARTICLE X

CREDIT AND COLLATERAL EXCEPTIONS

(1) The Board shall obtain current and satisfactory credit information on all loans lacking such information, including those listed in the ROE (within ninety (90) days from the effective date of this Order), in any subsequent Report of Examination (within sixty (60) days

from the issuance of such Report of Examination), in any internal or external loan review (within sixty (60) days from the completion of such review), or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination (within sixty (60) days from receipt of such listing). The Bank shall maintain a list of any credit exceptions that have not been corrected within the timeframe discussed above. This list shall include an explanation of the actions taken to correct the exception, the reasons why the exception has not yet been corrected, and a plan to correct the exception.

(2) The Board shall ensure proper collateral documentation is maintained on all loans and correct each collateral exception listed in the ROE (within sixty (60) days from the effective date of this Order), in any subsequent Report of Examination (within sixty (60) days from the issuance of such Report of Examination), in any internal or external loan review (within sixty (60) days from the completion of such review), or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination (within sixty (60) days from the receipt of such listing). The Bank shall maintain a list of any collateral exceptions that have not been corrected within the timeframe discussed above. This list shall include an explanation of the actions taken to correct the exception, the reasons why the exception has not yet been corrected, and a plan to correct the exception.

(3) Effective immediately, the Bank may grant, extend, renew, alter or restructure any loan or other extension of credit only after:

- (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 and analyzing current and satisfactory credit information, including cash flow analysis, where loans are to be repaid from operations and global cash flow analysis, where loan repayment is expected from other sources such as Guarantors;
 - (i) Failure to obtain the information in (3)(d) shall require a majority of the full Board (or a designated committee thereof) to certify in writing the specific reasons why obtaining and analyzing the information in (3)(d) would be detrimental to the best interests of the Bank.
 - (ii) A copy of the Board certification shall be maintained in the credit file of the affected borrower(s). The certification will be reviewed by this Office in subsequent examinations of the Bank; and
- (e) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable.

ARTICLE XI

LOAN REVIEW

(1) The Board shall within ninety (90) days employ or designate a sufficiently experienced and qualified person(s) or firm to ensure the timely and independent identification of problem loans and leases.

(2) Within ninety (90) days, the Board shall establish 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 the guidelines set forth in "Rating Credit Risk" and "Allowance

for Loan and Lease Losses” booklets of the *Comptroller’s Handbook*. Such reports shall include, at a minimum, conclusions regarding:

- (a) the overall quality of the loan and lease portfolios;
- (b) the identification, type, rating, and amount of problem loans and leases;
- (c) the identification and amount of delinquent loans and leases;
- (d) credit and collateral documentation exceptions;
- (e) loans meeting the criteria for nonaccrual status
- (f) the identification and status of credit related violations of law, rule or regulation;
- (g) the identity of the loan officer who originated each loan reported in accordance with subparagraphs (b) through (e) of this paragraph;
- (h) concentrations of credit;
- (i) loans and leases to executive officers, directors, principal shareholders (and their related interests) of the Bank; and
- (j) loans and leases not in conformance with the Bank's lending and leasing policies, and exceptions to the Bank’s lending and leasing policies.

(3) Within ninety (90) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program providing for independent review of problem loans and leases in the Bank's loan and lease portfolios for the purpose of monitoring portfolio trends, on at least a quarterly basis. The program shall require a quarterly report to the Board. At a minimum the program shall provide for an independent reviewer’s assessment of the Bank’s:

- (a) monitoring systems for early problem loan identification to assure the timely identification and rating of loans and leases based on lending officer submissions;

- (b) statistical records that serve as a basis for identifying sources of problem loans and leases by industry, size, collateral, division, and individual lending officer;
- (c) system for monitoring previously charged-off assets and their recovery potential;
- (d) system for monitoring compliance with the Bank's lending policies and laws, rules, and regulations pertaining to the Bank's lending function; and
- (e) system for monitoring the adequacy of credit and collateral documentation.

(4) A written description of the program called for in this Article shall be forwarded to the Director upon implementation.

(5) The Board shall evaluate the internal loan and lease review report(s) and shall ensure that immediate, adequate, and continuing remedial action, if appropriate, is taken upon all findings noted in the report(s).

(6) 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 preserved in the Bank.

ARTICLE XII

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) The Board shall require the Bank to maintain a program for the maintenance of an adequate Allowance for Loan and Lease Losses (“ALLL”) that is consistent with the comments on maintaining a proper ALLL found in the FFIEC Interagency Policy Statement on the ALLL contained in OCC Bulletin 2006-47 dated December 13, 2006, and the "Allowance for Loan and Lease Losses" booklet of the *Comptroller's Handbook*, and shall incorporate the following:

- (a) internal risk ratings of loans;

- (b) results of the Bank's external loan review;
- (c) criteria for determining which loans will be reviewed under Financial Accounting Standard (“FAS”) 114, how impairment will be determined, and procedures to ensure that the analysis of loans complies with FAS 114 requirements;
- (d) criteria for determining FAS 5 loan pools and an analysis of those loan pools;
- (e) recognition of non-accrual loans in conformance with Generally Accepted Accounting Principles (“GAAP”) and the Federal Financial Institutions Examination Council (“FFIEC”) policy;
- (f) loan loss experience;
- (g) trends of delinquent and non-accrual loans;
- (h) concentrations of credit in the Bank; and
- (i) present and prospective economic and market conditions.

(2) The program shall provide for a review of the ALLL by the Board at least once each calendar quarter. Any deficiency in the ALLL shall be remedied in the quarter it is discovered, prior to the filing of the Consolidated Reports of Condition and Income, 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 ALLL.

(3) A copy of the Board's program, and any subsequent revisions to the program, shall be submitted to the Director for review.

ARTICLE XIII

CRITICIZED ASSETS

(1) The Board shall take immediate and continuing action to protect the Bank's interest in those assets criticized in the most recent Report of Examination (“ROE”) and any

future ROE, by internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination.

(2) The Board's compliance with paragraph (1) of this Article shall include the development of Criticized Asset Reports ("CARs") on all credit relationships and other assets totaling in aggregate five hundred thousand dollars (\$500,000) or more, criticized as "doubtful," "substandard," or "special mention." CARs must be updated and submitted to the Board and the Director monthly. Each CAR shall cover an entire credit relationship, and include, at a minimum, analysis and documentation of the following:

- (a) the origination date and any renewal or extension dates, amount, purpose of the loan, and the originating officer;
- (b) the expected primary and secondary sources of repayment, and an analysis of the adequacy of the repayment source;
- (c) 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;
- (d) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations;
- (e) results of any FAS 114 impairment analysis;
- (f) significant developments, including a discussion of changes since the prior CAR, if any; and
- (g) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment, including an appropriate exit strategy.

(3) 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 any ROE, in any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination, unless 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 full Board (or designated committee) approves the credit extension and records, in writing, why such extension is necessary to promote the best interests of the Bank. A copy of the findings and approval of the Board or designated committee shall be maintained in the credit file of the affected borrower;
- (b) the Bank performs a written credit and collateral analysis as required by paragraph (2)(d) of this Article and, if necessary, the written program adopted pursuant to paragraph (2)(g) of this Article is revised; and
- (c) the Board's formal plan to collect or strengthen the criticized asset will not be compromised by the extension of additional credit.

ARTICLE XIV

APPRAISALS OF REAL PROPERTY

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

- (a) where the loan was criticized in the ROE or by the Bank's internal or external loan review and the most recent independent appraisal is more than twelve (12) months old;

- (b) where the loan's appraisal was found to violate 12 C.F.R. Part 34 as outlined in the ROE; or
- (c) when the borrower has failed to comply with the contractual terms of the loan agreement and an analysis of current financial information does not demonstrate the ongoing ability of the borrower or guarantor(s) to perform in accordance with the contractual terms of the loan agreement.

(2) The Bank shall obtain a current independent appraisal or updated appraisal, in accordance with 12 C.F.R. Part 34, on each parcel of Other Real Estate Owned ("OREO") when the property is transferred to OREO, or where it is needed to bring an existing OREO appraisal into conformity with the provisions of 12 C.F.R. Part 34.

(3) Appraisals required by this Article shall be ordered within thirty (30) days following the event which triggers the appraisal requirement, and shall be received within sixty (60) days of ordering.

(4) Within ninety (90) days, the Board shall require and ensure the Bank develops and implements an independent appraisal review and analysis process to ensure that appraisals conform to appraisal standards and regulations. The appraisal review and analysis process shall ensure:

- (a) that appraisals are performed in accordance with 12 C.F.R. Part 34;
- (b) are consistent with the guidance in *OCC Bulletin 2005-6*, "Appraisal Regulations and the Interagency Statement on Independent Appraisal and Evaluation Functions: Frequently Asked Questions", dated March 22, 2005; and
- (c) are consistent with *Advisory Letter 2003-9*, "Independent Appraisal and Evaluation Function", dated October 28, 2003.

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

ARTICLE XV

OTHER REAL ESTATE OWNED

(1) Within thirty (30) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to an Other Real Estate Owned (“OREO”) program to ensure that these assets are managed in accordance with 12 U.S.C. § 29 and 12 C.F.R. Part 34, Subpart E. At a minimum, the program shall:

- (a) identify the Bank officer(s) responsible for managing and authorizing transactions relating to the OREO properties;
- (b) contain an analysis of each OREO property which compares the cost to carry against the financial benefits of near term sale;
- (c) detail the marketing strategies for each parcel;
- (d) identify targeted time frames for disposing each parcel of OREO;
- (e) establish targeted write-downs at periodic intervals if marketing strategies are unsuccessful;
- (f) establish procedures to require periodic market valuations of each property, and the methodology to be used; and
- (g) provide for reports to the Board on the status of OREO properties on at least a quarterly basis.

(2) The Board shall ensure that the Bank Officer responsible for managing OREO receives staffing sufficient to implement and adhere to the program developed pursuant to this Article.

(3) Upon adoption, the Board shall submit a copy of the program to the Director.

ARTICLE XVI

BANK SECRECY ACT PROGRAM

(1) Within one hundred and twenty (120) days from the effective date of this Order, the Board shall review, revise and strengthen its existing program to ensure that it incorporates a comprehensive system of internal controls, independent testing, and audit to ensure ongoing compliance with the Bank Secrecy Act (“BSA”) and anti-money laundering (“AML”) safeguards, is risk-based and addresses all lines of business, including domestic and international operations. In addition, the Board shall review and revise its existing program to ensure that it includes the following:

- (a) a system of internal controls and independent testing and auditing to ensure ongoing compliance with the Bank Secrecy Act;
- (b) a comprehensive, written assessment of bank-wide BSA/AML risks performed on at least an annual basis;
- (c) operating procedures for performing effective, risk-based due diligence for both the opening of new accounts and the monitoring of high risk accounts;
- (d) adequate controls and procedures to ensure that all accounts are diligently monitored;
- (e) adequate controls and procedures to identify suspicious transactions in all areas of the Bank, regardless of perceived risk, and to report these transactions to appropriate personnel, within required time frames;
- (f) adequate controls and procedures to perform transaction testing on all accounts to detect suspicious activity;

- (g) adequate controls and transactional testing procedures over all accounts to ensure that:
 - (i) account profiles include documentation on the purpose of the account and how it is to be used; and
 - (ii) transactions outside of the profiles are documented, investigated, and appropriate action is taken by the Bank.
- (h) a qualified and independent officer who will be responsible for coordinating and monitoring compliance with the Bank's BSA program, including filing Suspicious Activity Reports ("SARs"); and
- (i) a comprehensive training program for all appropriate operational and supervisory personnel to ensure that they:
 - (i) understand the requirements of the BSA, USA Patriot Act, and Office of Foreign Assets Control ("OFAC") regulations, including the reporting requirements for SARs pursuant to 12 C.F.R. Part 21, Subpart B;
 - (ii) demonstrate sufficient knowledge of how to monitor accounts for suspicious activity using automated reports and other resources; and
 - (iii) recognize and report suspicious activity in accounts.

(2) A copy of the revised BSA program shall be submitted to the Director for review.

In the event the Director recommends changes to the program, the Board shall incorporate those changes into the program at the next meeting of the Board.

ARTICLE XVII

EXTERNAL AUDIT

(1) The Board shall immediately take all necessary actions within its control so that the 2007 Certified Public Accountant (“CPA”) prepared external annual audit report is issued within thirty (30) days. Such report shall render an opinion on the Bank's December 31, 2007, Statement of Condition (“Balance Sheet”) and its Income Statement for year 2007.

(2) Within thirty (30) days the Board shall submit to the Director, the terms of employment including the proposed engagement letter and any amendments thereto, for the annual external CPA audit of the Bank for the year 2008, and annually thereafter.

ARTICLE XVIII

INTERNAL AUDIT

(1) Within sixty (60) days from the effective date of this Order, the Board shall ensure Bank adherence to an independent, internal audit program sufficient to:

- (a) detect irregularities and weak practices in the Bank's operations;
- (b) determine the Bank's level of compliance with all applicable laws, rules and regulations;
- (c) evaluate the Bank's adherence to established policies and procedures; and
- (d) evaluate the adequacy of an compliance with the Bank's system of internal controls.

(2) Within sixty (60) days from the effective date of this Order, and annually thereafter, the Board shall establish an annual audit plan, using a risk-based approach, sufficient to achieve the objectives in paragraph (1) of this Article.

(3) The Board shall ensure that the internal audit function is supported by an adequately staffed department or outside firm, with respect to both the experience level and number of individuals employed.

(4) The Board shall ensure that the audit program is independent. The person(s) responsible for implementing the internal audit program described above shall report directly to the Board, or a designated committee, who shall have the sole power to direct their activities. All reports prepared by the audit staff shall be filed directly with the Board and not through any intervening party.

(5) All audit reports shall be in writing. The Board shall ensure that immediate actions are undertaken to remedy deficiencies cited in audit reports, that a written record is maintained describing those actions; and that management provides detailed written explanations in those circumstances, if any, where the deficiencies cannot be remedied. The Board shall provide for timely independent written follow-up for any unremedied deficiencies.

(6) The audit staff shall have access to any records necessary for the proper conduct of its activities. The Bank shall ensure that National Bank Examiners have access to all reports and work papers of the audit staff and any other parties working on its behalf.

(7) A copy of the internal audit program and annual audit plan shall be submitted to the Director.

ARTICLE XIX

VIOLATIONS OF LAW

(1) The Board shall immediately take all necessary steps to ensure that the Bank corrects each violation of law, rule or regulation cited in the ROE, any subsequent Report of Examination, or brought to their attention in writing by management, regulators, auditors, loan review, or other compliance efforts. Within ninety (90) days after the violation is cited or

brought to the Board's attention, the Bank shall provide to the Director a list of any violations that have not been corrected. This list shall include an explanation of the actions taken to correct the violation, the reasons why the violation has not yet been corrected, and a plan to correct the violation by a specified time.

(2) To the extent not already in place or otherwise required in this Order, within sixty (60) days from the effective date of this Order, the Board shall adopt, implement, and thereafter ensure adherence to specific procedures to prevent future violations as cited in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(3) Within sixty (60) days from the effective date of this Order, the Board shall adopt and cause the Bank to implement policies and procedures, in accordance with the Instructions for Preparation of Consolidated Reports of Condition and Income, to ensure that all official and regulatory reports filed by the Bank accurately reflect the Bank's condition as of the date that such reports are submitted. Thereafter the Board shall ensure Bank adherence to the policies and procedures adopted pursuant to this Article.

(4) Upon adoption, the Board shall forward a copy of these policies and procedures to the Director.

ARTICLE XX

ADMINISTRATIVE APPEALS AND EXTENSIONS OF TIME

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

circumstances that prevent the Bank from complying with a provision, that require the Director to exempt the Bank from a provision, or that require an extension of a timeframe within this Order.

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

ARTICLE XXI

CLOSING

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

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

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

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

(5) In each instance in this Order in which the Bank or the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, it is intended to mean that the Board shall:

- (a) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Order;
- (b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Order;
- (c) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (d) require corrective action be taken in a timely manner of any non-compliance with such actions.

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

(7) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED, this 7th day of October, 2008.

signed

Ronald G. Schneck
Director
Special Supervision

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

In the Matter of:)
Omni National Bank)
Atlanta, GA)

**STIPULATION AND CONSENT TO THE ISSUANCE
OF A CONSENT ORDER**

The Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiated cease and desist proceeding against Omni National Bank, Atlanta, GA (“Bank”) pursuant to 12 U.S.C. § 1818(b) through the service of a Notice of Charges, for unsafe and unsound banking practices relating to supervision of the Bank.

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated 10/7/08 (“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 it by the several laws of the United States of America.

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

signed

Ronald G. Schneck
Director
Special Supervision

10/7/08

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.

signed

10/7/08

Irwin M. Berman

Date

signed

10/7/08

Winfield L. Cooper

Date

signed

10/7/08

L. Lynette Fuller-Andrews

Date

signed

10/7/08

Barbara Babbit Kaufman

Date

signed

10/7/08

Stephen M. Klein

Date

signed

10/7/08

Connie E. Perrine

Date

signed

10/7/08

Ulysses Taylor

Date

signed

10/7/08

Garrett Van de Grift

Date