

#2009-111

AGREEMENT BY AND BETWEEN
Stone County National Bank
Crane, Missouri
and
The Comptroller of the Currency

Stone County National Bank, Crane, Missouri (“Bank”) and the Comptroller of the Currency of the United States of America (“Comptroller”) wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules and regulations.

The Comptroller has determined that the Bank has engaged in unsafe and unsound banking practices relating to its Board and management oversight, strategic and capital planning, investment portfolio management, liquidity risk management, credit underwriting and administration, credit risk ratings, allowance for loans and lease losses, compliance management program, information security program, and audit and internal controls.

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected and acting Board of Directors (“Board”), and the Comptroller, through his authorized representative, that the Bank shall operate at all times in compliance with the articles of this Agreement.

ARTICLE I

JURISDICTION

(1) This Agreement shall be construed to be a “written agreement entered into with the agency” within the meaning of 12 U.S.C. § 1818(b)(1).

(2) This Agreement shall be construed to be a “written agreement between such depository institution and such agency” within the meaning of 12 U.S.C. § 1818(e)(1) and 12 U.S.C. § 1818(i)(2).

(3) This Agreement shall be construed to be a “formal written agreement” within the meaning of 12 C.F.R. § 5.51(c)(6)(ii). See 12 U.S.C. § 1831i.

(4) This Agreement shall be construed to be a “written agreement” within the meaning of 12 U.S.C. § 1818(u)(1)(A).

(5) This Agreement shall cause the Bank not to be designated as an “eligible bank” for purposes of 12 C.F.R. § 5.3(g), unless otherwise informed in writing by the Comptroller.

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

Assistant Deputy Comptroller
Kansas City South Field Office
1710 East 32nd Street, Suite H
Joplin, Missouri 64804-4100

ARTICLE II

COMPLIANCE COMMITTEE

(1) Within ten (10) days of this Agreement, the Board shall appoint a Compliance Committee of at least three (3) directors, of which no more than one (1) 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 Assistant Deputy Comptroller.

The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Agreement.

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

(3) Within thirty (30) days of this Agreement, and within fifteen (15) days after every calendar quarter thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

(a) A description of the action needed to achieve full compliance with each Article of this Agreement;

(b) Actions taken to comply with each Article of this Agreement; 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 Assistant Deputy Comptroller within ten (10) days of receiving such report.

(5) The Board shall ensure that the Bank has the processes, personnel, and control systems to ensure implementation of and adherence to the provisions of this Agreement.

ARTICLE III

APPOINTMENT OF NEW DIRECTOR

(1) The Board shall immediately take action to add, at a minimum, one (1) new independent director. The term "independent director" means a person who is not an officer or employee of the Bank, and who is not a director, officer or employee 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.

(2) Prior to appointing any new director, the Bank must provide the Assistant Deputy Comptroller with written notice as required by 12 C.F.R. § 5.51 (notice forms and instructions are in the “Changes in Directors and Senior Executive Officers” and “Background Investigations” booklets of the Comptroller’s Licensing Manual).

(3) The Assistant Deputy Comptroller shall have the power to disapprove the appointment of the proposed new director. However, the lack of disapproval of such an individual shall not constitute an approval or endorsement of the proposed director. The requirement to submit information and the prior disapproval provisions of this Article are based on the authority of 12 U.S.C. § 1818(b) and do not require the Comptroller to complete his review and act on any such information or authority within ninety (90) days.

(4) If the Board is unable to identify any qualified director candidate within ninety days (90) days of the Agreement, the Board shall document its efforts to locate such candidates, and notify the Assistant Deputy Comptroller in writing. Thereafter, the Board shall provide monthly reports to the Assistant Deputy Comptroller summarizing continuing efforts to locate such candidates.

ARTICLE IV

BOARD OVERSIGHT

(1) The Board shall ensure that the Bank has competent management in place on a full-time basis in all executive officer positions to carry out the Board’s policies; ensure compliance with this Agreement; ensure compliance with applicable laws, rules, and regulations; manage the day-to-day operations of the Bank in a safe and sound manner; and fully implement the findings and recommendations of the 2008 Management Study.

(2) Within sixty (60) days, the Board shall prepare a written assessment of the capabilities of Bank's executive officers to perform present and anticipated duties, taking into account the findings in the Report of Examination conducted as of September 30, 2008 ("ROE"), and factoring in the officers' past actual performance, experience, and qualifications, compared to their position descriptions, duties and responsibilities, with particular emphasis on their proposed responsibilities to execute the Strategic Plan and 2008 Management Study, and correct the concerns raised in the Report of Examination. Upon completion, a copy of the written assessment shall be submitted to the Assistant Deputy Comptroller.

(3) If the Board determines that an officer's performance, skills or abilities needs improvement, the Board will, within thirty (30) days following its determination, require the Bank to develop and implement a written program, with specific time frames, to improve the officer's performance, skills and abilities. Upon completion, a copy of the written program shall be submitted to the Assistant Deputy Comptroller.

(4) If an executive officer position is vacant now or in the future, including if the Board realigns an existing officer's responsibilities and a executive officer position becomes vacant, the Board shall within sixty (60) days of such vacancy identify and provide notice to the Assistant Deputy Comptroller, pursuant to paragraph (5) of this Article, of a qualified and capable candidate for the vacant position who shall be vested with sufficient executive authority to ensure the Bank's compliance with this Agreement and the safe and sound operation of functions within the scope of that position's responsibility.

(5) Prior to the appointment of any individual to an executive officer position, the Board shall submit to the Assistant Deputy Comptroller written notice, as required by 12 C.F.R. § 5.51 and in accordance with the Comptroller's Licensing Manual. The Assistant Deputy

Comptroller shall have the power to disapprove the appointment of the proposed executive officer. However, the lack of disapproval shall not constitute an approval or endorsement of the proposed officer. The requirement to submit information and 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 Assistant Deputy Comptroller to complete his review and act on any such information or authority within ninety (90) days.

(6) The Board shall perform, at least annually, a written performance appraisal for each Bank executive officer that establishes objectives by which the officer's effectiveness will be measured, evaluates performance according to the position's description and responsibilities, and assesses accountability for action plans to remedy issues raised in Reports of Examination or audit reports. Upon completion, copies of the performance appraisals shall be submitted to the Assistant Deputy Comptroller. The Board shall ensure that the Bank addresses any identified deficiencies in a manner consistent with paragraphs (3) and (4) of this Article.

ARTICLE V

STRATEGIC PLAN

- (1) Effective immediately, the Bank shall only declare dividends when:
 - (a) The Bank is in compliance with the Bank's Revised Three-Year Plan as described below;
 - (b) The Bank is in compliance with 12 U.S.C. §§ 56 and 60; and
 - (c) The Bank has received a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.
- (2) Within sixty (60) days of this Agreement, the Board shall revise its written strategic plan for the Bank covering at least the next three years (hereafter the "Bank's Revised

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

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

- (a) An assessment of the Bank’s present and future operating environment;
- (b) The development of strategic goals and quantifiable measures with specific implementation dates to ensure the Bank attains sustained earnings to support capital and liquidity;
- (c) An evaluation of the Bank’s internal operations, staffing requirements, Board and management information systems and policies and procedures for their adequacy and contribution to the accomplishment of the goals and objectives developed pursuant to this Article;
- (d) Specific plans to establish responsibilities and accountability for the strategic planning process, new products, proposed changes in the Bank’s operating environment, reduction of problem assets, and maintenance of adequate liquidity;

- (e) Systems to identify, reduce and control risk to earnings, capital, and liquidity, and risks associated with any proposed changes in the Bank's operating environment;
- (f) Recognition that the Bank cannot offer or introduce new products or enter new market segments until it adopts an appropriate credit culture, implements sound liquidity management practices and sound risk management principles, and returns the Bank to a satisfactory condition;
- (g) Specific plans for the maintenance of adequate capital as required by the Office of the Comptroller of the Currency (the "OCC") and sufficient to be well capitalized under 12 C.F.R. Part 6;
- (h) Specific plans for the maintenance of adequate liquidity in accordance with the requirements of Article VI;
- (i) A dividend policy that only permits the declaration of a dividend in accordance with Paragraph (1) of this Article;
- (j) Projections for capital and liquidity requirements based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (k) A financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the next three years that shall address or include consideration of the requirements of this Article; and
- (l) Systems to monitor the Bank's progress in meeting the plan's goals and objectives.

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

ARTICLE VI

LIQUIDITY RISK MANAGEMENT

(1) Within sixty (60) days of this Agreement, the Board shall develop and submit for a prior written determination of no supervisory objection, a written liquidity program to ensure the Bank maintains liquidity at a level that is sufficient to sustain the Bank's current operations and to withstand any anticipated or extraordinary demand against its funding base, to include at a minimum:

- (a) Measures to maintain sufficient on-balance sheet liquidity;
- (b) Measures to ensure limited reliance upon non-core funding sources, including brokered deposits and credit-sensitive wholesale borrowings;
- (c) The establishment of additional back-up funding sources;
- (d) Policies and procedures to ensure the implementation of adequate liquidity planning tools, to include:
 - (i) A review of administrative policies and procedures to ensure they are consistent with the Board's guidance and risk tolerances;
 - (ii) Specific balance sheet liquidity targets that are consistent with the tools used to measure performance;
 - (iii) Reasonable risk limits to control the level of liquidity risk that incorporate forward-looking risk measurements and liability

concentration limits such as limits on the amount of funds that may be sourced from any individual customer or groups of customers, or liability concentration limits by instrument; and

- (e) A contingency funding plan that ensures the Bank can remain liquidity solvent through stressed environments and that includes, at a minimum:
 - (i) Management's best estimate of balance sheet changes that may result from a liquidity or credit event;
 - (ii) Specific terms or events that trigger enactment of the plan;
 - (iii) Necessary management information systems and reporting criteria for use in crises situations;
 - (iv) Management responsibilities for enacting the plan and for taking specific actions once enacted; and
 - (v) Prioritization of all sources of funding for the various scenarios including asset side funding, liability side funding, and off-balance sheet funding.

(2) After the OCC has advised the Bank that it does not take supervisory objection to the liquidity program developed and submitted as required by paragraph (1) of this Article, the Board shall immediately adopt, implement, and shall thereafter ensure adherence to the liquidity program.

ARTICLE VII

LOAN PORTFOLIO RISK MANAGEMENT

(1) Within sixty (60) days of this Agreement, the Board shall prepare and submit, to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, revisions to the Bank's loan policy, as well as any necessary procedures, to address weaknesses in the Bank's loan portfolio risk management, that, at a minimum, include:

- (a) The establishment of loan concentration management practices that comply with the *Comptroller's Handbook* on "Loan Portfolio Management," pp. 28-30, and OCC Bulletin 2006-46, Concentration in Commercial Real Estate Lending, Sound Risk Management Practices (dated December 6, 2006), to include at a minimum:
 - (i) Concentration limits stratified by type, locality and other meaningful measures;
 - (ii) Monthly monitoring of concentration reports that stratify the loan portfolio by product type, locality and other meaningful measures; and
 - (iii) Strategies and procedures to manage and reduce concentrations to conform with established limits set in Subparagraph (a) of this Article;
- (b) The establishment of minimum file documentation and analysis standards by loan type;

- (c) Maintenance of proper collateral margins in loans made for the purpose of constructing or developing commercial real estate, including but not limited to, procedures for ensuring that:
 - (i) Periodic, meaningful, well-documented, inspections are performed on all construction projects;
 - (ii) Draw requests are advanced in accordance with construction progress and budget;
 - (iii) Documentation of project completion versus amount advanced is maintained;
 - (iv) Lien waivers are obtained from contractors and sub-contractors; and
 - (v) Borrower's hard equity is tracked by project;
- (d) Standards for when loan policy exceptions are appropriate, what factors should exist to mitigate exceptions, and how the level and trend of exceptions should be tracked and reported to the Board;
- (e) Requirements to ensure participations purchased are consistent with sound banking practices and OCC guidelines; and
- (f) Standards for appraisal ordering and review processes.

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

Article VIII

CREDIT UNDERWRITING AND ADMINISTRATION

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

(2) Effective as of the date of this Agreement, the Bank may not grant, extend, renew, alter or restructure any loan or other extension of credit totaling seventy-five thousand dollars (\$75,000) or above, without:

- (a) Documenting the specific reason or purpose for the extension of credit;
- (b) Identifying the expected source of repayment in writing;
- (c) Structuring the repayment terms to coincide with the expected source of repayment;
- (d) Obtaining current and satisfactory credit information, including performing and documenting analysis of credit information and a detailed cash flow analysis of all expected repayment sources;
- (e) Determining and documenting whether the loan complies with the Bank's loan policy and if it does not comply, providing identification of the exception and ample justification to support waiving the policy exception;
- (f) Making and documenting the determinations made regarding the customer's ability to repay the credit on the proposed repayment terms;
- (g) Providing an accurate risk assessment grade as further described in Article IX; and

(h) Documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable.

(3) Effective immediately, the Board shall take the necessary steps to obtain current and satisfactory credit information on all loans lacking such information totaling seventy-five thousand dollars (\$75,000) or above, including those listed in the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of any examination.

(4) Effective immediately, the Board shall ensure proper collateral documentation is maintained on all loans totaling seventy-five thousand dollars (\$75,000) or above, and correct each collateral exception for any loan totaling seventy-five thousand dollars (\$75,000) listed in the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of any examination.

Article IX

CREDIT RISK RATINGS AND NONACCRUAL RECOGNITION

(1) Within thirty (30) days of this Agreement, the Board shall develop a program to ensure that the risk associated with the Bank's loans is properly reflected and accounted for on the Bank's books and records, to include, at a minimum, provisions requiring that:

(a) The Bank's loans and other assets are appropriately and timely risk rated and charged off by the lending officers using a loan grading system that is based upon current facts, existing repayment terms and that is consistent

with the guidelines set forth in Rating Credit Risk, A-RCR, of the *Comptroller's Handbook*;

- (b) The Bank's loans and other assets are timely placed on nonaccrual by the lending officers in accordance with the guidelines set forth in the Call Report;
- (c) Loan officers are held accountable for failing to appropriately and timely risk rate and/or place loans on nonaccrual through periodic performance reviews and compensation.

Article X

EXTERNAL LOAN REVIEW

(1) Within sixty (60) days of this Agreement, the Board shall employ a qualified consultant to perform quarterly asset quality reviews of the Bank's loan portfolio. The consultant shall be utilized until such time as an ongoing internal asset quality review system is developed by the Board, implemented, and demonstrated to be effective. The external loan review 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, A-RCR, of the Comptroller's Handbook. Such reports shall, at a minimum, include comments and conclusions regarding:

- (a) The identification, type, rating, and amount of problem loans and leases;
- (b) The identification and amount of delinquent and nonaccrual loans;
- (c) The identification/status of credit related violations of law or regulation;
- (d) Loans not in conformance with the Bank's lending policies;

- (e) Credit underwriting and documentation exceptions;
- (f) Adequacy of credit analysis and documentation;
- (g) Accuracy of internal risk ratings;
- (h) Overall credit administration practices; and
- (i) Completeness and effectiveness of problem loan workout plans.

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

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

(4) A copy of the reports submitted to the Board, as well as documentation of the action taken by the Bank to collect or strengthen assets identified as problem credits, shall be maintained in the books and records of the Bank.

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

Article XI

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within sixty (60) days of this Agreement, the Board shall adopt, implement, and thereafter ensure adherence to written policies and procedures for maintaining an adequate Allowance for Loan and Lease Losses (“Allowance”) in accordance with Generally Accepted Accounting Principles. The Allowance policies and procedures shall be consistent with the guidance set forth in the Federal Financial Institutions Examination Council’s “Interagency Policy Statement on the Allowance for Loan and Lease Losses” dated December 13, 2006 (OCC Bulletin 2006-47), and the “Policy Statement on Allowance for Loan and Lease Losses Methodologies and Documentation for Banks and Savings Institutions” dated July 20, 2001 (OCC Bulletin 2001-37), and shall, at a minimum, include:

- (a) Procedures for determining whether a loan is impaired and measuring the amount of impairment, consistent with FASB Statement of Financial Accounting Standards No. 114, Accounting by Creditors for Impairment of a Loan;
- (b) Procedures for segmenting the loan portfolio and estimating loss on groups of loans, consistent with FASB Statement of Financial Accounting Standards No. 5, Accounting for Contingencies;
- (c) Procedures to ensure that the estimation of credit losses considers the relevant qualitative and environmental factors, with particular focus on the following:
 - (i) Trends in the Bank’s internal risk ratings, delinquent and nonaccrual loans;

- (ii) Results of the Bank's external loan review;
- (iii) Concentrations of credit in the Bank, present and prospective economic conditions; and
- (iv) Applicable experience of the Bank's lending staff.

(2) The program shall provide for a process for summarizing and documenting, for the Board's review and approval, the amount to be reported in the Consolidated Reports of Condition and Income ("Call Reports") for the Allowance. Any deficiency in the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the Call Report, by additional provisions from earnings. Written documentation shall be maintained indicating the factors considered and conclusions reached by the Board in determining the adequacy of the Allowance.

ARTICLE XII

APPRAISALS OF REAL PROPERTY

(1) The Board shall require and 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's appraisal was found to violate 12 C.F.R. Part 34; or
- (b) Where the loan was criticized in the most recent Report of Examination or by the Bank's internal or external loan review and the most recent independent appraisal is more than twelve (12) months old; or
- (c) Where the borrower has failed to comply with the contractual terms of the loan agreement and the loan officer's analysis of current financial

information does not support the ongoing ability of the borrower or guarantor(s) to perform in accordance with the contractual terms of the loan agreement and the most recent independent appraisal is more than twelve (12) months old.

(2) The Board shall require and 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”) where it is needed to bring an existing OREO appraisal into conformity with the provisions of 12 C.F.R. Part 34. The Board shall require and the Bank shall obtain a current independent appraisal or updated appraisal before any new parcel is transferred to OREO.

(3) All such appraisals shall be completed within ninety (90) days, and certification by the Board attesting to the completion of the appraisals shall be forwarded to the Assistant Deputy Comptroller within ten (10) days.

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

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

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

ARTICLE XIII

INTERNAL AUDIT

(1) Within sixty (60) days, the Board shall adopt, implement, and thereafter 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) Assess and report the effectiveness of policies, procedures, controls, and management oversight relating to accounting and financial reporting;
- (d) Evaluate the Bank's adherence to established policies and procedures, with particular emphasis directed to the Bank's adherence to loan policies concerning underwriting standards and problem loan identification and classification;
- (e) Assess the adequacy of the Bank's program to ensure regulatory reports are submitted accurately, on time, and free from material misstatements;
- (f) Adequately cover all areas; and
- (g) Establish an annual audit plan using a risk based approach sufficient to achieve these objectives.

(2) As part of this audit program, the Board shall evaluate the audit reports of any party providing services to the Bank, and shall assess the impact on the Bank of any audit deficiencies cited in such reports.

ARTICLE XIV

INVESTMENT POLICY

(1) Within sixty (60) days, the Board shall review and revise the Bank's investment policy and implement the revised policy, and thereafter ensure adherence to the policy. The policy shall contain the basic elements of a sound investment policy consistent with the law, applicable regulatory guidance, and safe and sound banking practices. The Bank's investment policy shall, at a minimum, include:

- (a) An investment portfolio strategy that is consistent with Board approved Bank asset and liability management policies and interest rate risk tolerances;
- (b) Individual and committee investment portfolio purchase and sale authority;
- (c) Approval procedures that will include dollar size limits, quality limitations, maturity limitations, and concentration or diversification guidelines;
- (d) A requirement that investment securities be supported by adequate credit and interest rate risk measurement information as described in the "Interest Rate Risk" booklet of the Comptroller's Handbook and in OCC Bulletin 98-20 (April 27, 1998);

- (e) A process for performing adequate due diligence on and periodic reviews of securities dealers that the Bank uses, if any;
- (f) Periodic reports to and approval by the Board for all investment portfolio purchases and sales and investment strategy changes; and
- (g) Monthly review by the Board's investment committee of the Bank's investment portfolio activity to ensure adherence to the investment policy and to applicable banking and securities laws and regulations.

(2) The revised investment policy shall be implemented and a copy shall be forwarded to the Assistant Deputy Comptroller.

ARTICLE XV

INFORMATION SECURITY

(1) Within ninety (90) days of the date of this Agreement, the Board shall take the necessary steps to ensure the Bank's information security program complies with the requirements of the Gramm-Leach-Bliley Act 501(b) ("GLBA") and the Interagency Guidelines Establishing Information Security Standards, 12 C.F.R. Part 30, Appendix B ("Guidelines").

(2) Compliance with Paragraph (1) of this Article shall include the appointment of an Information Security Committee ("IT Security Committee") that shall be chaired by a member of the Board of Directors who has knowledge of Information Technology ("IT") and banking operations. The IT Security Committee shall be responsible for:

- (a) Selecting and appointing a knowledgeable, capable person to serve as Information Security officer, who shall be responsible for managing the revised information security program required by this Article;

- (b) Developing and implementing an IT strategic plan;
- (c) Reviewing, approving, and monitoring new IT service providers;
- (d) Reviewing and maintaining progress reports on new IT projects;
- (e) Revising the information security program as required by Paragraph (3) of this Article; and
- (f) Reviewing and maintaining the information security program on an ongoing basis.

(3) Compliance with Paragraph (1) of this Article shall include the adoption of a revised information security program that shall, at a minimum, require:

- (a) Background checks on all new employees who will have access to customer information;
- (b) An annual qualified and independent information technology audit, including a vulnerability assessment and penetration testing;
- (c) Procedures for independently reviewing and documenting testing activities and Board reporting of test results;
- (d) A training program that includes:
 - (i) The designation of a person responsible for training;
 - (ii) The use of specific, periodic training; and
 - (iii) Documentation to evidence attendance at training;
- (e) Appropriate due diligence for existing third-party relationships, and upon entering a third-party relationship, a methodology that provides effective oversight and controls as defined in OCC 2001-47 Risk Management Principles – Third Party Relationships, including but not limited to, an

evaluation of the protection of sensitive customer information performed by the Bank's current online bill pay provider;

- (f) Periodic reviews of vendor contracts to ensure that appropriate GLBA language is included;
- (g) Periodic tests of vendor activities to ensure that the vendor is meeting the terms of the contract;
- (h) Ongoing information risk assessments that comply with OCC Bulletin 2004-20 and that consider:
 - (i) Changes in technology;
 - (ii) The sensitivity of the Bank's customer information;
 - (iii) Any perceived or actual internal or external threats to information; and
 - (iv) Changes to the Bank's business environment, such as mergers, acquisitions, alliances, partnerships, and outsourcing arrangements;
- (i) Firewall monitoring and intrusion detection procedures;
- (j) A response program to address unauthorized access to or use of customer information that could result in substantial harm or inconvenience to a customer; and
- (k) Annual reporting of all key components of the guidelines represented in the Bank's information security program to the Bank's Board.

(4) The Board shall submit a copy of the Bank's revised information security program to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. Within five (5) days of the receipt of no supervisory objection to the revised

information security program, the Board shall adopt, implement and thereafter ensure adherence to the revised program.

ARTICLE XVI

CONSUMER COMPLIANCE PROGRAM

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure adherence to a written consumer compliance program designed to ensure that the Bank is operating in compliance with all applicable consumer protection laws, rules and regulations. The program shall include, but not be limited to:

- (a) A written description of the duties and responsibilities of the compliance officer;
- (b) Adequate internal controls to ensure compliance with consumer protection laws, rules, and regulations;
- (c) The preparation of a policies and procedures manual covering all consumer protection laws, rules and regulations for use by appropriate Bank personnel in the performance of their duties and responsibilities;
- (d) Annual reviews and, as appropriate, updates of the written policies and procedures manual to ensure it remains current;
- (e) An audit program to test for compliance with consumer protection laws, rules and regulations;
- (f) Procedures to ensure that exceptions noted in the audit reports are corrected and responded to by the appropriate Bank personnel;

- (g) The education and training of all appropriate Bank personnel in the requirements of all federal and state consumer protection laws, rules, and regulations; and
- (h) Periodic reporting of the results of the consumer compliance audit to the Board or a committee thereof.

(2) Upon adoption, a copy of the program shall be forwarded to the Assistant Deputy Comptroller for review.

ARTICLE XVII

CLOSING

(1) Although the Board has agreed to submit certain programs and reports to the Assistant Deputy Comptroller for review or prior written determination of no supervisory objection, the Board has the ultimate responsibility for proper and sound management of the Bank.

(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 Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time requirements may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are

amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Agreement in which 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 Agreement;
- (b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Agreement;
- (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 Agreement is intended to be, and shall be construed to be, a supervisory “written agreement entered into with the agency” as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States. 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(b)(1), 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. The Bank also expressly acknowledges that no officer or employee of the Office of the Comptroller of the Currency 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. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

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

/s/

Karen W. Swingler
Assistant Deputy Comptroller
Kansas City South Field Office

6/25/2009

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.

<u>/s/</u> O. D. Cope	<u>6/25/09</u> Date
<u>/s/</u> Lloyd Evans	<u>6/26/09</u> Date
<u>/s/</u> Neva P. Johnson	<u>6/25/09</u> Date
<u>/s/</u> John F. Petersen	<u>6/25/09</u> Date
<u>/s/</u> Gary Stumpff	<u>6/25/09</u> Date
<u>/s/</u> Robert E. Wilson, Jr.	<u>6/25/09</u> Date
<u>/s/</u> Timothy Wilson	<u>6/25/09</u> Date