

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

In the Matter of:)
Forrest City Bank, N.A.)
Forrest City, Arkansas)

CONSENT ORDER

The Comptroller of the Currency of the United States of America (“Comptroller”), through his National Bank Examiner, has supervisory authority over Forrest City Bank, N.A. (“Bank”).

The Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated April 25, 2011, that is accepted by the Comptroller. By this Stipulation and Consent, which is incorporated by reference, the Bank has consented to the issuance of this Consent Order (“Order”) by the Comptroller.

Pursuant to the authority vested in it by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

ARTICLE I

PROGRESS REPORTING –QUARTERLY

- (1) The Board shall submit quarterly progress reports to the Assistant Deputy Comptroller. These reports shall set forth in detail:
 - (a) actions taken since the prior progress report to comply with each Article of this Order;
 - (b) results of those actions; and

(c) a description of the actions needed to achieve full compliance with each Article of this Order.

(2) The progress reports shall also include any actions initiated by the Board and the Bank pursuant to the criticisms and comments in the Report of Examination or in any future Report of Examination.

(3) The first progress report shall be submitted for the period ending June 30, 2011 and will be due within fifteen (15) days of that date. Thereafter, progress reports will be due within fifteen (15) days after the quarter end.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE II

CAPITAL PLAN AND HIGHER MINIMUMS

(1) The Bank shall maintain, at a minimum, the following capital levels (which are defined in 12 C.F.R. Part 3):

(a) Total Risk-Based capital at least equal to thirteen percent (13%) of risk-weighted assets;

(b) Tier 1 capital at least equal to nine percent (9%) of adjusted total assets.

(2) The requirement in this Order to meet and maintain a specific capital level means that the Bank may not be deemed “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).

(3) Within sixty (60) days, the Board shall review, revise, and thereafter ensure compliance with its capital program, which shall span a three year period. The program 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 current and future needs;
- (d) the primary source(s) from which the Bank will strengthen its capital structure to meet the Bank's needs;
- (e) contingency plans that identify alternative methods should the primary source(s) under (d) above not be available; and
- (f) a dividend policy that permits the declaration of a dividend only:
 - (i) when the Bank is in compliance with its approved capital program;
 - (ii) when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and
 - (iii) with the prior written determination of no supervisory objection by the Assistant Deputy Comptroller.

(4) Upon revision, the Bank's capital program shall be submitted to the Assistant Deputy Comptroller within ten (10) days for a prior determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy

Comptroller, the Bank shall implement and adhere to the capital program. The Board shall review and update the Bank's capital program on an annual basis, or more frequently if necessary. Copies of the reviews and updates shall be submitted to the Assistant Deputy Comptroller.

(5) If the Bank fails to submit an acceptable Capital Plan as required by paragraph (3) of this Article, fails to implement or adhere to a Capital Plan to which the ADC has taken no supervisory objection pursuant to paragraph (4) of this Article, or fails to achieve and maintain the minimum capital ratios as required by paragraph (1) of this Article, then in the OCC's sole discretion, the Bank shall, upon direction of the OCC, within thirty (30) days thereafter develop and shall submit to the ADC for his review and prior written determination of no supervisory objection a Disposition Plan that shall detail the Board's proposal to sell or merge the Bank, or liquidate the Bank under 12 U.S.C. § 181. After the OCC has advised the Bank that it 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 may be deemed a violation of this Order, in the exercise of the OCC's sole discretion.

(6) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE III

INVESTMENT POLICY

(1) Within sixty (60) days, the Board shall review, revise, and thereafter ensure adherence to its Investment Policy, applicable internal control processes, and applicable MIS

reports. The revised policy shall contain the basic elements of a sound investment policy consistent with regulatory guidance provided in An Examiner's Guide to Investment Products and Practices (December 1992), 12 C.F.R. Part 1, and OCC Bulletin 98-20 (April 27, 1998) and shall include:

- (a) an investment portfolio strategy that is consistent with Board approved Bank asset and liability management policies and interest rate risk tolerances;
- (b) a list of permissible investments that are in accordance with the Board's current investment portfolio strategy and that are of an appropriate complexity based on the Board's risk tolerance and the Bank's ability to properly analyze and monitor the securities;
- (c) individual and committee investment portfolio purchase and sale authorities that are prudent and take into account any weaknesses identified in the ROE;
- (d) a requirement that no security shall be purchased unless Bank personnel has conducted a pre-purchase analysis that is commensurate with the following:
 - (i) the complexity of the securities;
 - (ii) the materiality of the investment in relation to capital; and
 - (iii) the overall quality of the investment portfolio as it relates to serving the liquidity and pledging needs of the Bank;
- (e) an independent analysis to validate any pre-purchase analysis completed on the Bank's purchase of Trust Preferred Securities Pools ("TRUPs") or

other complex securities consistent with OCC Bulletins 98-20 (Supervisory Policy Statement on Investment Securities and End-User Derivatives Activities) and 2002-19 (Unsafe and Unsound Investment Portfolio Practices: Supplemental Guidance);

- (f) prudent investment risk diversification guidelines;
- (g) concentration limits that explicitly reference the limits outlined in 12 C.F.R. Part 1, that are specific for each particular sub-category of investments (taking into account any weaknesses identified in the ROE), and that are otherwise appropriate for the Bank based on its current condition and risk-profile;
- (h) a written exit strategy should the Bank's investment securities (including but not limited to its portfolio of TRUPs and other complex securities) and/or other funding sources fail to perform as projected. The plan shall focus on limiting exposure to earnings and capital through planned sales and repayment of debt and include the following:
 - (i) identification of potential risks;
 - (ii) identification of specific triggers that require action on the Bank's behalf; and
 - (iii) planned steps to be taken to exit the Bank's TRUP investments/complex securities and related funding mechanisms.
- (i) the development of MIS reports to include the following:
 - (i) quarterly independent valuations of each TRUP/complex security that includes at least two (2) different sources; and

- (ii) monthly reports that detail the securities ratings from all Nationally Recognized Statistical Rating Organization (including Moody's, Standard & Poor's, and Fitch).

(2) Upon completion, the Bank's revised Investment Policy and internal control processes shall be submitted to the Assistant Deputy Comptroller.

(3) Copies of the following Bank MIS reports shall be forwarded to the Assistant Deputy Comptroller on a quarterly basis:

- (a) independent analysis performed on TRUP and other complex securities;
- (b) a report listing all securities identified as below investment grade, and any downgrades of securities by a Nationally Recognized Statistical Rating Organization;
- (c) market and book values for each TRUP or complex security held; and
- (d) a listing of sales transactions or purchases of TRUPs and any other complex securities, to include copies of confirmation tickets.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

ARTICLE IV

RECOGNITION OF OTHER-THAN-TEMPORARY IMPAIRMENT

(1) Within sixty (60) days, the Board shall review, revise, and thereafter ensure adherence to policies and procedures to ensure the timely, accurate identification and ongoing monitoring of investment securities (debt and equity) with other-than-temporary impairment ("OTTI"). As a component of these procedures, the Board must ensure that its internal audit

reviews the calculations and assumptions used in the OTTI analysis as part of the investment audit.

(2) The Bank shall continue to utilize the services of a qualified and independent person(s) or firm to provide a review of the Bank's ongoing quarterly OTTI analysis. Such a review shall ensure that other-than-temporary impairment is identified and measured in accordance with generally accepted accounting principles and supervisory guidance (e.g., OCC Bulletin 2009-11 dated April 17, 2009, "Other-than-Temporary Impairment Accounting" and Call Report Instructions). A written report must be filed with the Board after each quarterly review. The review shall occur at least once each calendar quarter prior to the filing of the Consolidated Reports of Condition and Income.

(3) The Board shall evaluate the independent OTTI review report(s) and shall ensure that immediate, adequate, and continuing remedial action is taken upon all findings noted in the report(s).

(4) A copy of the reports submitted to the Board, as well as documentation of the action taken by the Bank to address the findings noted in the report(s) shall be preserved in the Bank.

(5) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

ARTICLE V

REDUCING THE LEVEL OF CRITICIZED ASSETS

(1) The Bank shall take immediate and continuing action to protect its interest in those assets (including investment securities) that are criticized in the ROE, in any subsequent

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

(2) Within sixty (60) days, the Board shall review, revise, and thereafter ensure Bank adherence to its written program designed to eliminate the basis of criticism of assets criticized in the ROE, in any subsequent Report of Examination, by any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination as "doubtful," "substandard," or "special mention." This program shall continue to require the Bank to consider for each criticized asset, at a minimum:

- (a) an identification of the expected sources of repayment;
- (b) the appraised value of supporting collateral and the position of the Bank's lien on such collateral where applicable;
- (c) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations; and
- (d) the proposed action to eliminate the basis of criticism and the timeframe for its accomplishment.

(3) Upon completion of the revisions to the Bank's written program, a copy of the program shall promptly be submitted to the Assistant Deputy Comptroller. Any subsequent modifications or additions to the program shall be forwarded to the Assistant Deputy Comptroller within thirty (30) days of such modification or addition.

(4) The Board, or a designated committee, shall conduct a review, on at least a quarterly basis, to determine:

- (a) the status of each criticized asset or criticized portion thereof that equals or exceeds two-hundred and fifty thousand dollars (\$250,000);

- (b) management's adherence to the program adopted pursuant to this Article;
- (c) the status and effectiveness of the written program; and
- (d) the need to revise the program or take alternative action.

(5) A copy of each review, including status updates for each criticized asset or criticized portion thereof that equals or exceeds two-hundred and fifty thousand dollars (\$250,000), shall be forwarded to the Assistant Deputy Comptroller quarterly. The status updates shall follow a format similar to Appendix A, attached hereto.

(6) The Bank may 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 the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination and whose aggregate loans or other extensions exceed two-hundred and fifty thousand dollars (\$250,000) only if each of the following conditions is met:

- (a) the Board or designated committee 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; and
- (b) a comparison to the documentation produced in accordance with the written program adopted pursuant to this Article shows that the Board's formal plan to collect or strengthen the criticized asset will not be compromised.

(7) A copy of the approval of the Board or of the designated committee shall be maintained in the file of the affected borrower.

(8) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE VI

CREDIT AND COLLATERAL EXCEPTIONS

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

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

(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;
 - (i) Failure to obtain the information in (3)(d) shall require a majority of the full Board (or a delegated 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.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE VII

PROFIT PLAN

(1) Within sixty (60) days, the Board shall review, revise, and thereafter ensure Bank adherence to a written profit plan to improve and sustain the earnings of the Bank. This plan shall include, at minimum, the following elements:

- (a) identification of the major areas in and means by which the Board will seek to improve the Bank's operating performance;
- (b) realistic and comprehensive budgets, including projected balance sheets and year-end income statements;
- (c) a budget review process to monitor both the Bank's income and expenses, and to compare actual figures with budgetary projections; and
- (d) a description of the operating assumptions that form the basis for major projected income and expense components.

(2) The budgets and related documents required in paragraph one (1) above for 2011 shall be submitted to the Assistant Deputy Comptroller upon completion. The Board shall submit to the Assistant Deputy Comptroller annual budgets as described in paragraph one (1) above for each year this Order remains in effect. The budget for each year shall be submitted on or before November 30, of the preceding year.

(3) The Board shall forward a comparison of its balance sheet and profit and loss statement to its profit plan projections to the Assistant Deputy Comptroller on a quarterly basis, within thirty (30) days after the end of each quarter.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE VIII

MANAGEMENT AND BOARD SUPERVISION STUDY

(1) Within sixty (60) days, the Board shall employ an independent outside management consultant.

(2) Prior to the appointment or employment of any consultant or entering into any contract with a consultant, the Board shall submit the name and qualifications of the proposed consultant and the proposed terms of employment to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(3) The requirement to submit information and the provision for a prior written determination of no supervisory objection in this Article are based on 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.

(4) Within sixty (60) days after the Consultant has been hired, the Consultant shall complete a study of current management and Board supervision presently being provided to the Bank, the Bank's management structure, and its staffing requirements in light of the Bank's present condition. The findings and recommendations of the Consultant shall be set forth in a written report to the Board. At a minimum, the report shall contain:

- (a) the identification of present and future management and staffing requirements of each area of the Bank in light of the Bank's current and projected condition;
- (b) detailed written job descriptions for all executive officers;
- (c) an evaluation of each officer's qualifications and abilities and a determination of whether each of these individuals possesses the experience and other qualifications required to perform present and anticipated duties of his/her officer position;

- (d) recommendations as to whether management or staffing changes should be made, including the need for additions to or deletions from the current management team;
- (e) objectives by which management's effectiveness will be measured;
- (f) a training program to address identified weaknesses in the skills and abilities of the Bank's staff and management team;
- (g) an evaluation of current lines of authority, reporting responsibilities, and delegation of duties for all officers, including identification of any overlapping duties or responsibilities;
- (h) a recommended organization chart that clearly reflects areas of responsibility and lines of authority for all officers, including the Bank's president and chief executive officer;
- (i) an assessment of the Board's strengths and weaknesses along with a director education program designed to strengthen identified weaknesses;
- (j) an assessment of whether Board members are receiving adequate information on the operation of the Bank to enable them to fulfill their fiduciary responsibilities and other responsibilities under law;
- (k) recommendations to expand the scope, frequency, and sufficiency of information provided to the Board by management;
- (l) an evaluation of the extent of responsibility of current management and/or the Board for present weaknesses in the Bank's condition; and
- (m) recommendations to correct or eliminate any other deficiencies in the supervision or organizational structure of the Bank.

(5) Within thirty (30) days of completion of this study, the Board shall develop, implement, and thereafter ensure Bank adherence to a written plan, with specific timeframes, that will correct any deficiencies which are noted in the study.

(6) Copies of the Board's written plan and the Consultant's study shall be forwarded to the Assistant Deputy Comptroller. The Assistant Deputy Comptroller shall retain the right to determine the adequacy of the report and its compliance with the terms of this Order. In the event the written plan, or any portion thereof, is not implemented, the Board shall immediately advise the Assistant Deputy Comptroller, in writing, of specific reasons for deviating from the plan.

(7) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plan developed pursuant to this Article.

ARTICLE IX

PROBLEM LOAN IDENTIFICATION

(1) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a program to ensure lending officers identify in a timely and accurate manner nonaccrual loans and loans rated "Special Mention", "Substandard", "Doubtful", and "Loss." An acceptable program shall include:

- (a) a comprehensive policy to ensure a timely and adequate post-funding analysis is conducted by lending officers on existing commercial lending relationships that are equal to or greater than one hundred thousand dollars (\$100,000), which shall include:

- (i) identification of the documentation that will be adequate to support post-funding analyses based on applicable loan structures;
 - (ii) a monitoring system to ensure that lending officers prepare the required post-funding analysis; and
 - (iii) procedures to ensure that the results of the post-funding analysis is reported to management and the Board in a timely manner;
- (b) providing training to lending staff on recognition of nonaccrual loans and loan grading, with subsequent refresher training as needed; and
 - (c) ensuring officer accountability by including accuracy and timeliness of recognition of nonaccrual loans and loan grading in the annual performance evaluation of each loan officer and each member of lending area management.

(2) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE X

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within sixty (60) days, the Board shall review the adequacy of the Bank's Allowance for Loan and Lease Losses (“Allowance”) and shall establish a program to ensure the maintenance of an adequate Allowance. This review and program shall be designed in light of the comments on maintaining a proper Allowance found in the “Allowance for Loan and

Lease Losses” booklet of the Comptroller’s Handbook, and shall focus particular attention on the following factors:

- (a) results of the Bank's internal loan review;
- (b) results of the Bank's external loan review;
- (c) an estimate of inherent loss exposure on each significant credit;
- (d) an estimate of inherent loss exposure on each credit in excess of one hundred thousand dollars (\$100,000);
- (e) loan loss experience;
- (f) trends of delinquent and nonaccrual loans;
- (g) concentrations of credit in the Bank;
- (h) present and prospective economic conditions; and
- (i) correct deficiencies identified in the current or any future ROE.

(2) The program shall provide for a review of the Allowance by the Board at least once each calendar quarter. Any deficiency in the Allowance 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 Allowance.

(3) A copy of the Board's program shall be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and adhere to the program.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE XI

LIQUIDITY AND CONTINGENCY FUNDING PLAN

(1) On an on-going basis, the Board shall ensure adequate sources of liquidity in relation to the Bank's needs. Liquidity must be maintained 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.

(2) Within sixty (60) days, the Board shall review, revise, and thereafter ensure adherence to a Contingency Funding Plan that is reasonable and effective in ensuring that the Bank will continue to operate with adequate liquidity in the event of extraordinary demands against its funding base. The plan shall be detailed and include:

- (a) Identification of funding lines, including dollar amounts for borrowing capacity and collateral requirements;
- (b) Identification of assets to be pledged to these lines;
- (c) Consideration of changing liquidity sources in the event of liquidity stress events;
- (d) Consideration of changes in collateral requirements in the event of liquidity stress events; and
- (e) Processes for periodic testing of funding sources.

(3) The Contingency Funding Plan shall clearly define bank staff's responsibility to implement the plan, including identifying triggers of stress events that will result in the immediate implementation of the plan.

(4) Upon adoption of the Contingency Funding Plan, the Board shall forward a copy to the Assistant Deputy Comptroller.

(5) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence this Article and the plans/programs developed pursuant to it.

ARTICLE XII

LOAN PORTFOLIO MANAGEMENT

(1) Within sixty (60) days, the Board shall review, revise, and thereafter ensure Bank adherence to a written program to improve the Bank's loan portfolio management. The program shall include, but not be limited to:

- (a) procedures to ensure satisfactory and perfected collateral documentation;
- (b) procedures to ensure that extensions of credit are granted, by renewal or otherwise, to any borrower only after obtaining and analyzing current and satisfactory credit information;
- (c) procedures to ensure conformance with loan approval requirements;
- (d) procedures describing when loan agreements are required, the methods through which they should be documented, and the methods through which they will be enforced;
- (e) procedures to ensure loan officers have a thorough understanding of the use and enforcement of financial covenants;

- (f) a system to track and analyze exceptions;
- (g) procedures to ensure conformance with Call Report instructions;
- (h) procedures to ensure the accuracy of internal management information systems;
- (i) procedures in conformance with *OCC Advisory Letter 2003-9, Independent Appraisal and Evaluation Functions*, to ensure that appraisals and evaluations are reviewed for reasonableness by qualified individuals who are not involved in the loan production process and that new appraisals are ordered when required;
- (j) procedures to correct any credit administration deficiencies identified in the ROE or any subsequent ROE;
- (k) procedures to ensure that all members of the bank's lending staff possess or acquire sufficient skills to function effectively in their respective roles;
- (l) a performance appraisal process, including performance appraisals, job descriptions, and incentive programs for loan officers, which adequately consider their performance relative to policy compliance, documentation standards, accuracy in credit grading, and other loan administration matters; and
- (m) 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 and lease portfolios.

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

- (3) Within sixty (60) days, the Board shall review, revise, and thereafter ensure Bank adherence to systems which provide for effective monitoring of:
- (a) early problem loan identification to assure the timely identification and rating of loans and leases based on lending officer submissions;
 - (b) statistical records that will serve as a basis for identifying sources of problem loans and leases by industry, size, collateral, division, group, indirect dealer, and individual lending officer;
 - (c) previously charged-off assets and their recovery potential;
 - (d) compliance with the Bank's lending policies and laws, rules, and regulations pertaining to the Bank's lending function;
 - (e) adequacy of credit and collateral documentation; and
 - (f) concentrations of credit.
- (4) On a quarterly basis, management shall provide the Board or designated committee with written reports including, at a minimum, the following information:
- (a) the identification, type, rating, and amount of problem loans and leases;
 - (b) the identification and amount of delinquent loans and leases;
 - (c) credit and collateral documentation exceptions;
 - (d) the identification and status of credit related violations of law, rule or regulation;
 - (e) the identity of the loan officer who originated each loan reported in accordance with subparagraphs (a) through (d) of this Article and Paragraph;

- (f) an analysis of concentrations of credit, significant economic factors, and general conditions and their impact on the credit quality of the Bank's loan and lease portfolios;
- (g) the identification and amount of loans and leases to executive officers, directors, principal shareholders (and their related interests) of the Bank; and
- (h) the identification of loans and leases not in conformance with the Bank's lending and leasing policies, and exceptions to the Bank's lending and leasing policies.

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

ARTICLE XIII

CONCLUSION

(1) Although the Board is by this Order required to submit certain proposed actions and programs for the review or prior written determination of no supervisory objection of the Assistant Deputy Comptroller, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon it 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) Any time limitations imposed by this Order shall begin to run from the effective date of this Order. Such time limitations may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(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 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 25th day of April, 2011.

/S/

F. Christian Dunn
Assistant Deputy Comptroller
Little Rock Field Office

4/22/11

Date

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

In the Matter of:)
Forrest City Bank, N.A.)
Forrest City, Arkansas)

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

The Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate cease and desist proceedings against Forrest City Bank, N.A. (“Bank”) pursuant to 12 U.S.C. § 1818(b), for unsafe and unsound banking practices including practices relating to capital, asset quality, management, earnings, and liquidity.

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated April 25, 2011 (“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).

(4) This Order 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.

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.

/S/
F. Christian Dunn
Assistant Deputy Comptroller
Little Rock Field Office

4/22/11
Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/S/

Brad Beavers

4/25/11

Date

/S/

John V. Casbeer, Jr.

4/25/11

Date

/S/

Aubrey L. Jayroe

4/25/11

Date

/S/

Dale L. Morris

4/25/11

Date

/S/

Dwight Rutland

4/25/11

Date