

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

In the Matter of:) AA-CE-12-73
United Trust Bank)
Palos Heights, Illinois)

CONSENT ORDER

The Comptroller of the Currency of the United States of America (Comptroller), through his Examiner, has examined United Trust Bank, Palos Heights, Illinois (Bank), and his findings are contained in the Report of Examination, dated September 30, 2011 (ROE).

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 August 15, 2012 (Stipulation), that is accepted by the Comptroller. By this Stipulation, that 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 him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

ARTICLE I

COMPLIANCE COMMITTEE

(1) Within thirty (30) days of the date of this Order, 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 Order. The Board shall remain responsible for the Bank's adherence to the provisions of this Order. The appointment of the Compliance Committee shall not in any way affect or relieve the Board's responsibility in that regard.

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

(3) Within sixty (60) days of the date of this Order and quarterly 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 compliance with each Article of this Order;
- (b) actions taken to comply with each Article of this Order;
- (c) the results and status of those actions; and
- (d) a description of the additional actions needed to achieve full compliance with each Article of this Order.

(4) The Bank 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.

ARTICLE II

CAPITAL PROGRAM AND HIGHER MINIMUMS

(1) The Bank shall achieve by December 31, 2012 and thereafter maintain the following capital levels (as defined in 12 C.F.R. Part 167):

- (a) Tier 1 capital at least equal to ten percent (10%) of adjusted total assets;
- and

- (b) Total risk-based capital at least equal to fourteen percent (14%) of risk weighted assets.

(2) 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 165.

(3) Prior to paying any dividends, the Board shall provide a written request to the Assistant Deputy Comptroller for review and determination of no supervisory objection.

(4) Within one hundred and twenty (120) days of this Order, the Board shall develop, implement, and thereafter ensure Bank adherence to a three-year written capital program (Capital Program). The Capital Program shall, at a minimum, include:

- (a) specific plans for the maintenance of adequate capital that may in no event be less than the requirements of paragraph (1) of this Article;
- (b) quarterly 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) sources, amounts, and timing of additional capital to meet the Bank's current and future needs;
- (d) identification of the primary source(s) from which the Bank will increase and maintain its capital structure to meet the Bank's needs;
- (e) contingency plans that identify alternative sources and methods to increase capital 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. § 1467a(f) and 12 C.F.R. Part 163, subpart E; and
- (iii) with the prior written approval of the Assistant Deputy Comptroller.

(5) Upon completion and approval by the Board, the Bank's Capital Program shall be submitted to the Assistant Deputy Comptroller for a 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 Capital Program.

(6) The Board shall review and update the Bank's Capital Program on at least an annual basis, or more frequently if necessary or if it is required by the Assistant Deputy Comptroller. The Board's review of the Capital Program must be documented in the Board minutes and copies of the reviews shall be submitted to the Assistant Deputy Comptroller.

(7) Any revisions of the Capital Program shall be submitted to the Assistant Deputy Comptroller for a determination of no supervisory objection. Upon receiving a determination of no supervisory objection, the Bank shall implement and adhere to the revised Capital Program.

ARTICLE III

CONTINGENCY FUNDING PLAN

(1) Within sixty (60) days the Board shall adopt a comprehensive Bank-specific Contingency Funding Plan consistent with the guidelines set forth in the "Liquidity" booklet of the Comptroller's Handbook and OCC Bulletin 2010-13, "Interagency Policy Statement on

Funding and Liquidity Risk Management” dated March 22, 2010. The Contingency Funding Plan shall, among other things, include:

- (a) the Board’s strategy for maintaining adequate sources of stable funding given the Bank’s anticipated liquidity and funding needs;
- (b) a definition of a liquidity crisis for the Bank;
- (c) an identification of early warning liquidity triggers, including specific situations indicative of a liquidity crisis;
- (d) an explicit quantification of the sources and uses of liquidity in stressed scenarios that correspond to the early warning liquidity triggers;
- (e) detailed action plans to identify and obtain sources of liquidity to meet projected shortfalls;
- (f) an identification of responsible Bank personnel to declare, manage, and resolve a liquidity crisis;
- (g) an internal and external communication process, including a process for reporting to the Board, for disseminating relevant information; and
- (h) a process, including timeframes, for regular testing and updating the plan to ensure that it is operationally sound.

(2) Upon adoption, the Board shall forward the Contingency Funding Plan to the Assistant Deputy Comptroller for determination of no supervisory objection. Upon receiving a determination of no supervisory objection, the Board shall implement and thereafter ensure adherence to the Contingency Funding Plan.

ARTICLE IV

STRATEGIC AND BUSINESS PLAN

(1) Within one hundred and twenty (120) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written three-year strategic and business plan (Business Plan) that shall include a detailed budget, with projections of major balance sheet and income statement components. The Business Plan shall establish specific objectives for: improving the Bank's earnings performance, balance sheet mix, liability structure, capital adequacy, reducing the volume of nonperforming assets, setting and adhering to concentration limits for loan products, any product line or market segments that the Bank intends to promote or develop, and must have reasonable strategies and timeframes to achieve those objectives.

(2) A copy of the Business Plan 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 Business Plan.

(3) The Board shall monitor and review the actual results of the Business Plan developed in paragraph (1) of this Article against the projections on at least a quarterly basis, or more frequently if necessary or if required by the Assistant Deputy Comptroller, and provide for appropriate and specific adjustments. Any changes to the Business Plan shall be forwarded 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 revised Business Plan.

ARTICLE V

LOAN RISK RATINGS

(1) Within thirty (30) days, and on an ongoing basis thereafter, the Board must ensure that the Bank's internal risk ratings of commercial credit relationships (covered relationship) as assigned by responsible loan officers and by Internal loan review are timely, accurate, and consistent with the regulatory credit classification criteria set forth in the "Rating Credit Risk" booklet of the Comptroller's Handbook. At a minimum, the Board must ensure on an ongoing basis that for each covered relationship:

- (a) the primary consideration is the strength of the borrower's primary source of repayment (i.e., the probability of default rather than the risk of loss);
- (b) if the primary source of repayment is cash flow from the borrower's operations, the strength of the borrower's cash flow is determined through analysis of the borrower's historical and projected financial statements, past performance, and future prospects in light of conditions that have occurred;
- (c) collateral, non-government guarantees, and other similar credit risk mitigants that affect potential loss in the event of default (rather than the probability of default) are taken into consideration only if the primary source of repayment has weakened and the probability of default has increased;
- (d) any covered relationship with a high probability of payment default or other well-defined weakness is rated no better than Substandard, unless the debt is secured by marketable securities or cash;

- (e) collateral values must reflect a current assessment of value based on actual market conditions and project status, consistent with 12 C.F.R. Part 164;
- (f) credit risk ratings are reviewed and updated whenever relevant new information is received, but no less frequently than annually; and
- (g) the credit risk rating analysis is documented and available for review by the Board and the OCC upon request.

(2) Within ninety (90) days, the Board must establish a credit risk rating management information system that provides, at a minimum, the following information to the Board on a monthly basis:

- (a) individual detail regarding the identification, type, amount, and assigned rating of all problem loans or loans rated Special Mention or worse; and
- (b) ratings equivalent to, or readily convertible to, the common regulatory risk rating definitions of pass, special mention, substandard, doubtful and loss set forth in the “Rating Credit Risk” booklet of the Comptroller’s Handbook.

(3) Upon adoption, Board reports for all loans described in paragraph (2) of this Article exceeding one hundred thousand dollars (\$100,000) shall be forwarded to the Assistant Deputy Comptroller on a quarterly basis.

ARTICLE VI

CRITICIZED ASSETS

(1) The Bank shall take immediate and continuing action to protect its interest in those assets criticized in the ROE, in any subsequent Report of Examination, by internal or

external loan review, or in any list provided to management by Bank Examiners during any examination.

(2) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to individual written workout plans designed to eliminate the basis of criticism of assets criticized in the ROE, in any subsequent Report of Examination, or by any internal or external loan review, or in any list provided to management by the OCC during any examination as "doubtful," "substandard," or "special mention." Each workout plan shall include, at a minimum:

- (a) an identification of the expected sources of repayment;
- (b) the current 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 of the borrower's ability to repay the loan, including cash flow analysis where loans are to be repaid from operations and an appropriate analysis of the guarantor(s) current financial position where repayment is dependent in whole or in part on the support of a guarantor; and
- (d) actions designed to promote the Bank's best interest in the asset, or to eliminate the basis of criticism, and the timeframes for implementing and evaluating the effectiveness of those actions.

(3) Upon adoption, a copy of the workout plans for all criticized assets equal to or exceeding twenty-five thousand dollars (\$25,000) shall be forwarded to the Assistant Deputy Comptroller.

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

- (a) the status of each criticized asset or criticized portion thereof that equals or exceeds twenty-five thousand dollars (\$25,000);
- (b) management's adherence to the workout plans adopted pursuant to this Article;
- (c) the status and effectiveness of the plans; and
- (d) the need to revise the plans or take alternative action.

(5) A copy of each review shall be compiled and forwarded to the Assistant Deputy Comptroller on a quarterly basis.

(6) Effective immediately, the Bank may extend credit, directly or indirectly, including renewals or extensions, 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 Bank Examiners during any examination 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 plans 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 Bank's files.

ARTICLE VII

OTHER REAL ESTATE OWNED - ACTION PLANS

(1) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to action plans for each parcel of Other Real Estate Owned (OREO) to ensure that these assets are managed in accordance with regulations, guidance, U.S. generally accepted accounting principles ("GAAP") and 12 C.F.R. Part 164. At a minimum, the plans shall:

- (a) identify the Bank officer(s) responsible for managing, ensuring accurate accounting of, 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) Upon adoption, the Bank shall forward a copy of the plans to the Assistant Deputy Comptroller.

ARTICLE VIII

ACCOUNTING-NONACCRUAL LOANS AND REAL ESTATE TAXES

(1) Within thirty (30) days, the Board shall adopt, implement, and ensure adherence to written policies and procedures governing nonaccrual loans and advancement of real estate taxes. Such policies and procedures shall:

- (a) for nonaccrual loans, address the identification of and accounting treatment for nonaccrual loans consistent with the guidance in the Call Report instructions and GAAP;
- (b) address the circumstances under which real estate taxes and accrued interest due on a loan may be added to the outstanding principal amount of a loan; and
- (c) require the performance of a financial analysis on a borrower and an updated collateral evaluation, as appropriate, when Bank funds are advanced to pay a borrower's real estate taxes.

(2) Upon adoption, the Bank shall forward a copy of the policies and procedures to the Assistant Deputy Comptroller.

ARTICLE IX

INDEPENDENT LOAN REVIEW

(1) Within ninety (90) days, the Board shall establish, implement, and thereafter ensure Bank adherence to an effective, independent, and on-going loan review system to review, at least semi-annually, the Bank's loan and lease portfolios to assure the timely and accurate risk rating of credits and the identification of credit information, collateral documentation, and policy exceptions. The system shall provide for a written report to be filed with the Board after each review. Such reports shall include, at a minimum, conclusions regarding:

- (a) the identification, type, rating, and amount of problem loans and leases, including grading changes;
- (b) the accrual status and amount of impairment reserves, if necessary;
- (c) credit information and collateral documentation exceptions, including receipt of timely appraisals or evaluations;
- (d) the identification and status of credit related violations of law, rule or regulation;
- (e) loans and leases to executive officers, directors, principal shareholders (and their related interests) of the Bank;
- (f) loans and leases not in conformance with the Bank's lending and leasing policies and administrative procedures, and exceptions to the Bank's lending and leasing policies and procedures;
- (g) concentrations risk in the loan portfolio;
- (h) Allowance for Loan and Lease Losses ("ALLL") balance and methodology; and
- (i) any recommendations for improvements.

(d) Upon adoption, a written description of the system called for in this Article shall be forwarded to the Assistant Deputy Comptroller for review and 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 system.

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

(g) 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 X

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure adherence to written policies and procedures for maintaining an adequate ALLL in accordance with GAAP. The ALLL 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), shall adopt the methodology improvements set forth in the ROE, and shall at a minimum include:

- (a) procedures for determining whether a loan is impaired and measuring the amount of impairment, consistent with GAAP (including FASB ASC 310-10, *Receivables - Overall - Subsequent Measurement – Impairment*);
- (b) procedures for segmenting the loan portfolio and estimating loss on groups of loans that are consistent with GAAP (including FASB ASC 450-20,

Loss Contingencies). These procedures shall require the Bank to document its estimation of credit losses and its analysis of the nine qualitative factors set forth in the Interagency Statement;

- (c) procedures for validating the ALLL methodology; and
- (d) a process for summarizing and documenting, for the Board's prior review and approval, the amount to be reported in the Consolidated Reports of Condition and Income ("Call Reports") for the ALLL.

(2) The Board shall adopt, implement, and thereafter ensure adherence to written policies and procedures to ensure that all official and regulatory reports filed by the Bank accurately reflect an adequate ALLL balance as of the date that such reports are submitted. Any difference between the ALLL balance as determined by the analysis required by this Article and the Bank's actual ALLL balance shall be remedied through appropriate account adjustments in the quarter it is discovered, prior to the filing of the Call Reports.

(3) Upon adoption, the Board shall submit a copy of the policies and procedures required by this Article to the Assistant Deputy Comptroller for 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 policies and procedures.

ARTICLE XI

CONCENTRATIONS OF CREDIT

(1) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written asset diversification program consistent with the "Concentrations of

Credit” booklet (revised December 2011) of the Comptroller’s Handbook. The program shall include, but not necessarily be limited to, the following:

- (a) a review of the balance sheet and an identification of any concentrations of credit;
- (b) a written analysis of any concentration of credit identified above in order to identify and assess the inherent credit, liquidity, and interest rate risk, under stressed and normal market conditions;
- (c) establishment of specific limits for each of the Bank’s known and potential concentrations relative to the Bank’s capital, based on the analysis performed in subparagraph (b) of this Article;
- (d) policies and procedures to control and monitor concentrations of credit;
- (e) management information systems designed to ensure timely and accurate reporting of concentrations to the Board; and
- (f) an action plan approved by the Board to reduce the risk of any concentration deemed imprudent in the above analysis.

(2) For purposes of this Article, a concentration of credit is as defined in the “Concentrations of Credit” booklet of the Comptroller's Handbook.

(3) The Board shall ensure that all concentrations of credit are subjected to the analysis required by subparagraph (b) of paragraph (1) of this Article at least annually and that if the analysis demonstrates that the concentration subjects the Bank to undue risk, the Board shall take appropriate steps to mitigate such risks.

(4) Upon adoption, the Board shall submit a copy of the program required by this Article to the Assistant Deputy Comptroller for 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.

(5) The Board shall forward a copy of any analysis performed on existing or potential concentrations of credit to the Assistant Deputy Comptroller immediately following the review.

ARTICLE XII

VIOLATIONS OF LAW

(1) The Board shall require and the Bank shall immediately take all necessary steps to correct each violation of law, rule, or regulation cited in the most recent ROE or any subsequent ROE, or brought to the Board's or Bank's 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 or Bank's attention, the Bank shall provide to the Board 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 date.

(2) Within ninety (90) days, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to specific procedures to prevent future violations as cited in the most recent ROE. Upon adoption, a copy of these procedures shall be promptly forwarded to the Assistant Deputy Comptroller.

ARTICLE XIII

CLOSING

(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 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) 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. The Assistant Deputy Comptroller's decision regarding the request is final and not subject to further review.

(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, including ensuring that the Bank has necessary processes, personnel, and control systems;
- (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) Each citation or referenced guidance included in this Order includes any subsequent guidance that replaces, supersedes, amends, or revises the cited law, regulation, or guidance.

(7) 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. 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.

(8) 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 15th day of August, 2012.

/s/

8/15/2012

Benjamin L. Lemanski
Assistant Deputy Comptroller

Date

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

In the Matter of:)	
United Trust Bank)	AA-CE-12-73
Palos Heights, Illinois)	

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

The Comptroller of the Currency of the United States of America (Comptroller) has initiated cease and desist proceedings against United Trust Bank, Palos Heights, Illinois (Bank) pursuant to 12 U.S.C. § 1818(b).

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated August 15, 2012 (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 Federal Savings Association within the meaning of 12 U.S.C. § 1462(3) and an insured depository institution within the meaning of 12 U.S.C. § 1813(c).

(2) Pursuant to Section 312 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, all powers, authorities, rights and duties relating to federal savings associations that were vested in the Office of Thrift Supervision (OTS) and the Director of the OTS, transferred to the Office of the Comptroller of the Currency (OCC) on July 21, 2011.

(3) The OCC is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

(4) The Bank is subject to the authority of the OCC to initiate and maintain an administrative cease and desist proceeding against it pursuant to 12 U.S.C. § 1818(b).

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. The Bank further agrees that said Order shall be deemed an “order issued with the consent of the depository institution” as used in 12 U.S.C. § 1818(h)(2), and consent and agree 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).

(2) 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 its 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 OCC 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 seek any type of administrative or judicial review of the Order;
 - (d) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 109; 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, he deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

(2) This Order shall cause the Bank to be designated as in “troubled condition,” as set forth in 12 C.F.R. § 163.555, unless otherwise informed in writing by the Comptroller.

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

/s/

8/15/2012

Benjamin L. Lemanski
Assistant Deputy Comptroller

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/_____
Thomas Davey
8/15/2012
Date

_____/S/_____
George Habeeb
8/15/2012
Date

_____/S/_____
Neil Haleem
8/15/2012
Date

_____/S/_____
James Hallberg
8/15/2012
Date

_____/S/_____
Alan Hambourger
8/9/2012
Date

_____/S/_____
John Hyland
8/15/2012
Date

_____/S/_____
Daniel J. McLaughlin
8/15/2012
Date

Martin McNalley
Date

_____/S/_____
John Newel
(not dated)
Date

_____/S/_____
Barbara Prunsky
8/15/2012
Date

