

AGREEMENT BY AND BETWEEN
GCF Bank
Sewell, New Jersey
and
The Comptroller of the Currency

GCF Bank, Sewell, New Jersey (“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, through his authorized representatives, has examined the Bank and has found unsafe and unsound banking practices and regulatory violations relating to management and board supervision, audit oversight, Bank Secrecy Act (BSA) compliance management, and liquidity risk management.

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. § 163.555. 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) 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
Philadelphia Field Office
1150 Northbrook Drive, Suite 303
Trevose, Pennsylvania 19053

ARTICLE II

COMPLIANCE COMMITTEE

(1) Within thirty (30) days of the date of this Agreement, the Board shall appoint a Compliance Committee of at least three (3) directors. None of the members of this committee shall be a member of management or a 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 sixty (60) days of the date of this Agreement and quarterly 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.

ARTICLE III

ENSURE COMPETENT BOARD AND MANAGEMENT

(1) Within ninety (90) days, the Board shall ensure that the Bank has competent management in place on a full-time basis in its President/Chief Executive Officer; Chief Financial Officer; Controller; and BSA Officer positions to carry out the Board's policies, ensure compliance with this Agreement, applicable laws, rules and regulations, and manage the day-to-day operations of the Bank in a safe and sound manner.

(2) Within sixty(60) days, the Board shall review the capabilities of the Bank's management to perform present and anticipated duties and the Board will determine whether management changes will be made, including the need for additions to or deletions from current management.

(3) For incumbent officers in the positions mentioned in Paragraph (1) of this Article, the Board shall within sixty (60) days to assess each of these officers' experience, other qualifications and performance compared to the position's description, duties and responsibilities.

(4) If the Board determines that an officer will continue in his or her position but that the officer's depth of skills needs improvement, the Board will within ninety (90) days of such determination develop and implement a written program, with specific time frames, to improve the officer's supervision and management of the Bank. At a minimum the written program shall include:

- (a) an education program designed to ensure that the officer has skills and abilities necessary to supervise effectively;
- (b) a program to improve the effectiveness of the officer;
- (c) objectives by which the officer's effectiveness will be measured; and
- (d) a performance appraisal program for evaluating performance according to the position's description and responsibilities and for measuring performance against the Bank's goals and objectives.

Upon completion, a copy of the written program shall be submitted to the Assistant Deputy Comptroller.

(5) If a position mentioned in Paragraph (1) of this Article is vacant now or in the future, including if the Board realigns an existing officer's responsibilities and a position mentioned in Paragraph (1) of this Article becomes vacant, the Board shall within ninety (90) days of such vacancy appoint a capable person to 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.

(6) Prior to the appointment of any individual to an executive officer position, the Board shall submit to the Assistant Deputy Comptroller the following information:

- (a) a written notice containing the information set forth in 12 C.F.R. Part 163, Subpart H (Notice of Change of Director or Senior Executive Officer) and regulatory guidance related thereto;
- (b) a written statement of the Board's reasons for selecting the proposed officer; and
- (c) a written description of the proposed officer's duties and responsibilities.

(7) The Assistant Deputy Comptroller shall have the power to disapprove the appointment of the proposed new officer. Appointments of senior executive officers, as defined in 12 C.F.R. § 163.555, are subject to the requirements set forth in 12 C.F.R. Part 163, Subpart H (Notice of Change of Director or Senior Executive Officer). For individuals that are not senior executive officers, the requirement to submit information and the prior disapproval provisions of this Paragraph are based on the authority of 12 U.S.C. § 1818(b)(6)(E). The lack of disapproval of such individual shall not constitute an approval of endorsement of the proposed officer.

(8) Within ninety (90) days, the Board shall prepare and submit to the Assistant Deputy Comptroller a written self-assessment that includes:

- (a) a review of the information Board members receive from management on Bank operations and a determination of whether Board members are receiving sufficient information on the operation of the Bank to enable them to provide proper oversight and fulfill their fiduciary and other responsibilities under law;
- (b) an analysis of the knowledge and skills necessary for individual members to serve as effective directors and properly supervise the Bank's affairs;

(c) the Board's consideration of whether it has the requisite knowledge and skills to fulfill its duties, including overseeing management's implementation of the corrective actions detailed in this Agreement;

(d) the Board's consideration of and determination regarding whether it is in the Bank's best interest to recruit and appoint additional directors to expand the Board's level of knowledge and skills required to properly supervise the Bank's affairs.

(9) The Assistant Deputy Comptroller shall have the right to determine the adequacy of the assessment and its compliance with the terms of this Agreement.

ARTICLE IV

CRITICIZED PRIVATE-LABEL COLLATERALIZED MORTGAGE OBLIGATIONS

(1) The Bank shall continue taking action to protect its interest in Private-Label Collateralized Mortgage Obligations (PLCMOs) criticized in the Report of Examination, in any subsequent Report of Examination, by a third-party, or in any list provided to management by the Comptroller's examiners during any examination.

(2) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written program designed to eliminate the basis of criticism of the PLCMOs criticized in the Report of Examination, in any subsequent Report of Examination, or by a third-party, or in any list provided to management by the Comptroller's examiners during any examination as "doubtful," "substandard," or "special mention." This program shall require, at a minimum:

- (a) a quarterly analysis of each below investment grade PLCMO to support whether or not an other than temporary impairment (OTTI) charge necessary; and if a charge is necessary, support the level of the charge;
- (b) support for the required OTTI charges if these charges are necessary;
- (c) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment.

(3) Upon adoption, a copy of the program for all criticized PLCMOs shall be forwarded to the Assistant Deputy Comptroller.

(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.

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

- (a) the status of each criticized PLCMO;
- (b) management's adherence to the program adopted pursuant to this Article;
and
- (c) the status and written effectiveness of the written program.

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

ARTICLE V

CAPITAL PLAN

(1) Within sixty (60) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a three year capital program consistent with OCC Bulletin 2012-16 (Guidance for Evaluating Capital Planning and Adequacy) (June 7, 2012). The program shall include:

- (a) specific plans for the maintenance of adequate capital that may in no event be less than what is required by the OCC;
- (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; including sale, merger, or liquidation of the bank with corresponding triggers, timeframes, and a detailed process; 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;
and
 - (ii) in conformance with the requirements set forth in
12 C.F.R. Part 163, Subpart E (Capital Distributions).

(2) Upon completion, the Bank's capital program shall be submitted to the Assistant Deputy Comptroller for 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.

(3) 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

STRATEGIC PLAN/PROFIT PLAN

(1) Within ninety (90) days, the Board shall implement and thereafter ensure Bank adherence to a written strategic plan for the Bank covering at least a three-year period. The strategic plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital adequacy, reduction in the volume of nonperforming assets, product line development and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives and, at a minimum, include:

- (a) a mission statement that forms the framework for the establishment of strategic goals and objectives;
- (b) an assessment of the Bank's present and future operating environment;
- (c) the development of strategic goals and objectives to be accomplished over the short and long term;
- (d) an identification of the Bank's present and future product lines (assets and liabilities) that will be utilized to accomplish the strategic goals and objectives established in Paragraph (1)(c) of this Article;
- (e) 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 under Paragraph (1)(c) of this Article;

- (f) a management employment and succession program to promote the retention and continuity of capable management;
- (g) product line development and market segments that the Bank intends to promote or develop;
- (h) an action plan to improve bank earnings and accomplish identified strategic goals and objectives, including individual responsibilities, accountability and specific time frames (hereinafter “Profit Plan”). The Profit Plan shall include, at minimum, the following elements:
 - (i) identification of the major areas in and means by which the Board will seek to improve the Bank’s operating performance;
 - (ii) realistic and comprehensive budgets, including projected balance sheets and year-end income statements;
 - (iii) a budget review process to monitor both the Bank’s income and expenses, and to compare actual figures with budgetary projections;
 - (iv) a description of the operating assumptions that form the basis for major projected income and expense components; and
 - (v) contingency plans that identify alternative methods for improving earnings should the primary method or resources not be available.

- (i) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the period covered by the strategic plan;
- (j) control systems to mitigate risks associated with planned new products, growth, or any proposed changes in the Bank's operating environment;
- (k) specific plans to establish responsibilities and accountability for the strategic planning process, new products, growth goals, or proposed changes in the Bank's operating environment;
- (l) systems to monitor the Bank's progress in meeting the plan's goals and objectives; and
- (m) contingency plans that identify alternative methods should established strategic objectives not be achieved as described in paragraphs (a) through (h) above. The contingency plans must also include an option to sell, merge or liquidate the Bank with corresponding triggers, timeframes and a detailed process.

(2) Prior to adoption of the strategic plan by the Board, a copy of the 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 immediately adopt, implement, and thereafter adhere to the strategic plan.

(3) The budgets and related documents required in Paragraph (1)(h) of this Article for year 2013 shall be submitted to the Assistant Deputy Comptroller at the time the strategic plan is submitted to the Assistant Deputy Comptroller pursuant to Paragraph (2) of this Article.

Thereafter, the Board shall submit to the Assistant Deputy Comptroller annual budgets as described in Paragraph (1)(h) of this Article for each year this Agreement remains in effect. The budget for each year shall be submitted on or before November 30, of the preceding year.

(4) The Board shall forward comparisons of its balance sheet and profit and loss statement to the profit plan projections to the Assistant Deputy Comptroller on a quarterly basis.

(5) Until the strategic plan required by this Article has been submitted by the Bank for OCC review, and the Bank has received a written determination of no supervisory objection from the OCC, the Bank shall not significantly deviate from the products, services, asset composition and size, funding sources, structure, operations, and markets of the Bank that existed before this Agreement without first obtaining the OCC's prior written determination of no supervisory objection to such significant deviation.

(6) The Bank must give the Assistant Deputy Comptroller at least sixty (60) days advance, written notice of its intent to deviate significantly from the strategic plan.

(a) For purposes of this Article, changes that may constitute a significant deviation from the strategic plan include, but are not limited to: any significant deviations from marketing strategies, marketing partners, acquisition channels; underwriting practices and standards, account management strategies and test programs; collection strategies, partners, or operations; fee structure, pricing, or fee application methods; accounting processes and practices; funding strategy; or any other changes in personnel, operations, or external factors that may have a material impact on the Bank's operations or financial performance.

- (b) Prior to making any changes that significantly deviate from the Bank's strategic plan, the Board shall perform an evaluation of the adequacy of the Bank's organizational structure, staffing, management information systems, internal controls and written policies and procedures to identify, measure, monitor, and control the risks associated with the product or service. The evaluation shall include an assessment of the impact of such change on the Bank's condition, including a profitability analysis.

(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 VII

INTERNAL AUDIT

(1) Within ninety (90) 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 its loan policies concerning underwriting standards and problem loan identification and classification;
- (e) adequately cover all areas; and

(f) 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.

(3) 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.

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

(5) The Board shall ensure that the audit program is independent. The persons responsible for implementing the internal audit program described above shall report directly to the Board, which shall have the sole power to direct their activities. All reports prepared by the audit staff shall be filed directly with the Board and not through any intervening party.

(6) All audit reports shall be in writing and timely reported to the Board. The Board shall ensure that immediate actions are undertaken to remedy deficiencies cited in audit reports, and that auditors maintain a written record describing those actions.

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

(8) Upon adoption, a copy of the internal audit program shall be promptly submitted to the Assistant Deputy Comptroller.

ARTICLE VIII

ASSET/LIABILITY MANAGEMENT POLICY

(1) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written liquidity, asset and liability management policy. The policy shall provide for a coordinated asset/liability management strategy and, at a minimum, address:

- (a) adequate management reports that enable the Board and management to monitor the Bank's liquidity position and maintain liquidity at an adequate level;
- (b) the liquidity, maturity and pledging requirements of the investment portfolio;
- (c) development of a liquidity contingency plan;
- (d) guidelines concerning the nature, extent, and purpose of the Bank's use of brokered deposits consistent with the Bank's overall funds management strategies;
- (e) the nature, extent and purpose of Bank borrowings;
- (f) limits on concentrations of funding sources; and
- (g) periodic review of the Bank's adherence to the policy.

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

(3) 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 IX

BOOKS AND RECORDS

(1) The Board shall immediately take all necessary actions to ensure that, within ninety (90) days, the Bank's books, records and management information systems (MIS) are restored to a complete and accurate condition. This also includes developing formal accounting and financial internal control policies to support the integrity of financial information reported. These policies shall be submitted to the Assistant Deputy Comptroller within ninety (90) days for review and approval.

(2) Within forty-five (45) days, the Board shall submit to the Assistant Deputy Comptroller an action plan detailing how the Board will restore the Bank's books, records and MIS to a complete and accurate condition, setting forth a timetable for implementing the plan. The plan shall address, at a minimum, the following:

- (a) procedures to ensure Call Reports and other regulatory financial reports are accurate;
- (b) timing and frequency of performing balance sheet and income and expense account reconcilements;
- (c) personnel assigned to perform account reconcilements;
- (d) supervisory personnel independent of the account reconciliation process assigned to review account reconcilements for completeness and accuracy;
- (e) investigation and resolution of account reconciliation differences to occur within the quarter of discovery;
- (f) a charge-off policy on account reconciliation differences which cannot be resolved within the quarter of discovery;

- (g) sufficient and ongoing training of personnel involved in the account reconciliation process and resolution of account reconciliation differences, and preparation of financial reports;
- (h) procedures to ensure MIS is accurate; and
- (i) standards for which Bank personnel will be held accountable to ensure compliance with the requirements of this Article.

(3) Prior to adoption by the Board, a copy of the Action Plan developed pursuant to this Article shall be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. In the event the Assistant Deputy Comptroller recommends changes to the action plan, the Board shall immediately incorporate those changes into the plan. At the next Board meeting following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to the Action Plan.

(4) The Board shall ensure that, once restored to complete and accurate condition, the Bank's books, records and MIS are maintained in a complete and accurate condition.

ARTICLE X

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/her 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/

Joseph P. Kehoe
Assistant Deputy Comptroller
Philadelphia Field Office

9/20/12

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/

John Gligor

9-20-12

Date

/s/

Walter Friedrich

9-20-12

Date

/s/

Dennis King

9-20-12

Date

/s/

Steve Menzoni

9-20-12

Date

/s/

Scott Newman

9-20-12

Date

/s/

Frank Wilson

9-20-12

Date