

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)	Order No.: SE-08-011
)	
American Bank)	Effective Date: September 4, 2008
Rockville, Maryland)	
OTS Docket No. 08149)	

ORDER TO CEASE AND DESIST

WHEREAS, American Bank, Rockville, Maryland, OTS Docket No. 08149 (Association), by and through its board of directors (Board) has executed a Stipulation and Consent to Issuance of Order to Cease and Desist (Stipulation); and

WHEREAS, the Association, by executing the Stipulation, has consented to the issuance of this Order to Cease and Desist (Order) by the Office of Thrift Supervision (OTS) pursuant to 12 USC § 1818(b); and

WHEREAS, pursuant to delegated authority, the OTS Regional Director for the Southeast Region (Regional Director), is authorized to issue consent orders on behalf of OTS where a savings association has consented to the issuance of the order.

NOW, THEREFORE, IT IS ORDERED that:

Order to Cease and Desist.

1. The Association and its directors, officers, employees, and agents shall cease and desist from any action (alone or with another or others) for or toward causing, bringing about,

participating in, counseling or the aiding and abetting of any violation of applicable law and regulation including, but not limited to, the following:

- a. The OTS regulations regarding real estate lending standards set forth in 12 CFR § 560.101;
- b. 12 CFR § 560.160 (Asset Classification);
- c. 12 CFR § 560.170 (Records for Lending Transactions);
- d. 12 CFR § 560.93 (Loans to One Borrower);
- e. 12 CFR § 560.33 (Late Charges on Home Loans);
- f. 12 CFR § 203.4(a)(1) and (12) (Home Mortgage Disclosure Act);
- g. 12 CFR § 202.9(a)(2) (Equal Credit Opportunity Act); and
- h. 24 CFR §§ 3500.21(d)(2)(i)(A), (d)(3)(iv) and (d)(3)(vii) (Real Estate Settlement Procedures Act).

Growth.

2. The Association shall comply with the growth projections set forth in the Business Plan approved by the Regional Director pursuant to Paragraph 8 of this Order.

Lending.

3. Effective immediately, the Board shall ensure that the Association maintains and adheres to an asset diversification policy that complies with the requirements of 12 CFR § 560.101 and Chief Executive Officer Memorandum No. 252 - Concentrations in Commercial Real Estate Lending, Sound Risk Management (December 14, 2006), including but not limited to, establishing reasonable loan concentration and exposure limits for each type of loan made by the Association (Diversification Policy). The Board shall require the Association's Senior Executive

Officers¹ (Management) to provide the Board with written quarterly updates regarding the Association's compliance with the Diversification Policy.

4. Within sixty (60) days, the Board shall prepare and submit for Regional Director review a written plan to reduce the level of credit and concentration risk in the Association's loan portfolio (Reduction Plan). The Reduction Plan shall address and include the OTS's findings, comments, and recommendations as set forth in the Association's September 17, 2007 Report of Examination (2007 Examination).

5. The Board will make any changes to the Reduction Plan required by the Regional Director within ten (10) days after receipt and provide a copy of the revised Reduction Plan to the Regional Director for review. Upon receipt of approval of or non-objection to the Reduction Plan from the Regional Director, the Board shall adopt the Reduction Plan and direct Management to adhere to and implement the Reduction Plan. Any material modifications to the Reduction Plan shall be submitted to the Regional Director thirty (30) days prior to implementation unless such time period is waived in writing by the Regional Director.

6. Within sixty (60) days, the Board shall ensure that the Association's lending policies and procedures are amended to incorporate the guidance and requirements set forth in the Interagency Guidance on Nontraditional Mortgage Product Risks (October 4, 2006).

Business Plan.

7. Within forty-five (45) days, the Board shall prepare and submit for Regional Director review and comment a new comprehensive three-year business plan that covers the last six (6) months of 2008 and calendar years 2009 and 2010 (Business Plan). The Business Plan will, at a minimum, include: (i) a detailed and specific discussion of the Board's plans and strategies to strengthen and improve the Association's operations, earnings and profitability, including plans

¹ The term Senior Executive Officer is defined at 12 CFR § 563.555.

for reducing the Association's operating expenses; (ii) discuss the Association's current financial position and resources and detail the Board's strategies for preserving and enhancing the Association's financial resources to meet the Association's needs under the Business Plan, adequately support the Association's risk profile, maintain compliance with applicable regulatory capital requirements, and satisfy the Association's liquidity needs; (iii) include quarterly pro forma financial projections (balance sheet and income statement) for each year covered by the Business Plan; and (iv) identify all relevant assumptions and projections, as well as include documentation supporting such assumptions and projections.

8. The Board will make any changes to the Business Plan required by the Regional Director within thirty (30) days after receipt and provide a copy of the revised Business Plan to the Regional Director for review. Upon receipt of approval of or non-objection to the Business Plan from the Regional Director, the Board shall adopt the Business Plan and direct Management to adhere to and implement the Business Plan. Any material modifications to the Business Plan shall be submitted to the Regional Director forty-five (45) days prior to implementation unless such time period is waived in writing by the Regional Director.

9. The Board shall require Management to prepare quarterly variance reports on the Association's compliance with the approved Business Plan within thirty (30) days after the close of each calendar quarter (Quarterly Business Plan Variance Report) beginning with the calendar quarter ending September 30, 2008. The Quarterly Business Plan Variance Reports shall detail actual operating results versus projected results and shall include detailed explanations of any material deviations from the Business Plan and a specific description of the corrective actions or measures that have been implemented, proposed or are under consideration to correct any material deviation. A deviation shall be considered material under this Paragraph of this Order

when: (i) the Association engages in any material activity that is inconsistent with the Business Plan; or (ii) the Association exceeds the level of any activity contemplated in the Business Plan or fails to meet target amounts established in the Business Plan by more than 10%, unless the activity involves assets risk weighted 50% or less, in which case a variance of more than 25% shall be deemed to be a material deviation.

10. The Board shall review the Quarterly Business Plan Variance Reports on a quarterly basis and conduct a thorough and diligent review and assessment of Management's implementation of and the Association's compliance with the approved Business Plan. The Board's review of the Quarterly Business Plan Variance Report and assessment of Management and the Association's compliance shall be fully documented in the appropriate Board meeting minutes. A copy of the Quarterly Business Plan Variance Report and the Board meeting minutes detailing the Board's review and corrective actions, if any, should be provided to the Regional Director within ten (10) days after the Board's review.

Asset Review and Classification.

11. Within forty-five (45) days, the Board shall prepare and adopt a written internal asset review program that will (i) strengthen and ensure the timely identification and proper classification of problem assets; (ii) ensure that adequate and appropriate levels of the Allowance for Loan and Lease Losses (ALLL) are established and maintained; and (iii) require the preparation of individual asset resolution plans with detailed timeframes and strategies to improve the Association's position through repayment, amortization, liquidation, and/or additional collateral for all loans greater than \$500,000 and classified Substandard, Doubtful, Loss or Special Mention (Asset Review Program). The Board shall require Management to

implement and adhere to the Asset Review Program and provide the Board with quarterly updates regarding the Association's compliance with the Asset Review Program.

12. The Asset Review Program required by Paragraph 11 of this Order shall, at a minimum, satisfy the requirements and standards set forth in: (i) 12 CFR § 560.160; (ii) Section 11.G. of the Safety and Soundness Standards set forth in 12 C.F.R. Part 570 – Appendix A; (iii) the December 13, 2006 Interagency Policy Statement on the Allowance for Loan and Lease Losses and Questions and Answers on Accounting for Loan and Lease Losses (OTS Chief Executive Officer (CEO) Letter No. 250); and (iv) Sections 260 and 261 of the OTS Examination Handbook.

Liquidity.

13. Within forty-five (45) days, the Board shall prepare and adopt a liquidity plan to ensure the Association maintains adequate short-term and long-term liquidity to withstand any anticipated or extraordinary demand against its funding base (Liquidity Plan). The Board shall direct Management to implement and adhere to the Liquidity Plan.

14. At a minimum, the Liquidity Plan required by Paragraph 13 of this Order must include the following:

- a. a cash flow analysis that includes reasonable assumptions, identifies all anticipated funding needs and the sources to meet those needs, considers the level and maturity of any brokered deposits, and addresses any contingent liabilities;
and
- b. identification of alternative funding sources in order to meet extraordinary demands or in the event the sources identified in this Paragraph are insufficient.
Such alternative funding sources must consider, at a minimum, the selling of

assets; obtaining lines of credit from correspondent banks; recovering charged-off assets; and injecting additional equity capital.

15. The Board shall require and ensure that Management reviews the Association's liquidity on a weekly basis and assesses the Association's compliance with its liquidity policies and procedures and the Liquidity Plan required by Paragraph 13 of this Order. Management's review shall consider:

- a. a maturity schedule of certificates of deposit, including large uninsured deposits;
- b. the volatility of demand deposits including escrow deposits;
- c. the amount and type of loan commitments and standby letters of credit;
- d. an analysis of the continuing availability and volatility of present funding sources;
- e. an analysis of the impact of decreased cash flow from the Association's loan portfolio resulting from delinquent and non-performing loans; and
- f. an analysis of the impact of decreased cash flow from the sale of loans or loan participations.

16. At each monthly Board meeting, beginning with the September 2008 meeting, the Board shall require Management to prepare and submit for Board review a written status report on the Association's compliance with its liquidity policies and procedures and the Liquidity Plan under Paragraph 13 of this Order. The Board will require Management to provide copies of the weekly reviews of the Association's liquidity under Paragraph 15 of this Order for the immediately preceding month, identifying any funding needs (to repay loans or advances from correspondent banks or to pay off brokered deposits). The Board's review of Management's weekly reviews, and any corrective actions adopted by the Board, shall be fully documented in the Board meeting minutes. The Board will provide the Regional Director with quarterly updates on the

Association's liquidity position and compliance with the Liquidity Plan within thirty (30) days after the end of each calendar quarter beginning with the Quarter ending September 30, 2008.

Loans to One Borrower.

17. Within thirty (30) days, the Board shall review its existing policies, procedures, systems, and controls regarding compliance with the LTOB requirements set forth in 12 CFR § 560.93 and 12 CFR Part 32, and amend or develop, adopt and implement such additional policies, procedures, systems, and controls as necessary to ensure the Association's compliance with applicable LTOB laws, rules, and regulations including, but not limited to, the aggregation and attribution of loans based upon common enterprise and/or direct benefit and the maintenance of adequate documentation in the Association's loan files.

Board Oversight.

18. Within ninety (90) days, the Board shall prepare and submit to the Regional Director a written plan to improve the effectiveness of the Board's oversight of Management and the operations of the Association (Oversight Plan). At a minimum, the Oversight Plan shall:

- a. provide that, until such time as a majority of the Association's directors are Independent of Management², any expansion of the Board may only include new directors who meet the criteria necessary to be Independent of Management;
- b. specify the actions that the Board will take to improve the Association's operating and financial condition and maintain effective oversight of Management and major operations and activities, including, at a minimum, the credit risk

² The term "Independent of Management" means a non-employee director that (a) is not a consultant, advisor, or legal counsel, including family members of such persons, to the Association or its affiliates (as defined in Regulation W); (b) is not a director, officer, or principal shareholder, including immediate family members of such persons, of the Association's affiliates; (c) is not a principal shareholder, or immediate family member thereof, of the Association; and (d) is not an officer, employee, advisor, consultant or legal counsel for any principal shareholder (as defined in Regulation O), immediate family of such person, or a related interest of such person.

- management program, including loan underwriting, documentation, and administration; internal control systems; and the internal audit function; and
- c. detail the responsibility of and means by which the Board will monitor Management's adherence to approved policies and procedures, and applicable laws and regulations.

19. Within sixty (60) days, and thereafter, within sixty (60) days after the end of each calendar year, beginning with the calendar quarter ending September 30, 2008, the Board shall conduct a thorough review of the Association's lending function and assess the qualifications, experience and proficiency of the Association's Management and lending staff to ensure that is adequately staffed by qualified and experienced personnel based upon the Association's lending products, operations, Business Plan and market conditions. The Board's review, including its determinations and any adopted corrective actions, shall be fully documented in the Board meeting minutes. The Board shall require Management to prepare such reports as are necessary and appropriate for the Board to conduct its review as required by this Paragraph.

Flood Insurance.

20. Effective immediately, the Board shall ensure that (i) the Association complies with the requirements of the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973, as amended, 42 USC §§ 4001-4129, as implemented by Part 572 of the OTS's Rules and Regulations, 12 CFR Part 572 (collectively, Flood Laws and Regulations); and (ii) all weaknesses and deficiencies discussed in the 2007 Examination have been addressed and corrected.

Equal Credit Opportunity Act.

21. Within sixty (60) days, the Board shall conduct a comprehensive review of the Association's policies, procedures, systems, processes, and recordkeeping and documentation requirements to ensure compliance with the requirements of the Equal Credit Opportunity Act, its implementing regulations at 12 CFR Part 202 (Regulation B), and the Interagency Fair Lending Examination Procedures (ECOA Policies). At a minimum, the Board shall ensure that the Association's ECOA Policies:

- a. address the deficiencies, weaknesses and corrective actions identified by OTS in the 2007 Examination;
- b. contain procedures for the regular submission to the Board, or its designated committee, formal written reports of compliance issues, including proposed remedial measures and a timetable for implementation of such measures;
- c. require a regular testing program and procedures for all products and product delivery channels that will ensure compliance with the Association's ECOA Policies and all applicable consumer protection laws and regulations;
- d. contain mechanisms and/or processes for the review and revision of all written manuals and other materials, including but not limited to advertising and marketing materials, to ensure ongoing compliance with the Association's ECOA Policies and all applicable consumer protection laws and regulations;
- e. specify the procedures for new product development to assess any potential fair lending consequences, particularly as relates to nonstandard, special or added underwriting requirements, for each product or product delivery channel;

- f. require the Association to conduct a comparison and analysis of its products within each product delivery channel and across different delivery channels and identify and support or explain any identified variances or discrepancies;
- g. specify appropriate documentation and recordkeeping requirements for the Association's products that shall be applicable to all products regardless of the delivery channel; and
- h. address the deficiencies and weaknesses identified by the Board and Management.

All weaknesses and deficiencies in the Association's ECOA Policies identified in this review shall be addressed by the Board through (i) its modification of the Association's ECOA Policies; and (ii) the development of a detailed corrective action plan with specific completion deadlines. Management shall prepare and submit for Board review a monthly written status report detailing the Association's compliance with its revised ECOA Policies and Management's completion of all corrective actions and measures adopted by the Board.

22. Not later than sixty (60) days after the end of each calendar year, beginning with the year 2008, the Board shall conduct an annual review of the Association's revised ECOA Policies.

The Board's annual review shall include a review and assessment of the Bank's compliance with its revised ECOA Policies and identify and specify corrective actions to address any areas of noncompliance with the revised ECOA Policies or applicable law, regulation or OTS guidance.

The Board's review, discussions and corrective actions, including any completion timeframes, shall be fully documented in the Board meeting minutes. The Board will ensure that any corrective actions or modifications to the revised ECOA Policies adopted by the Board are fully implemented and adhered to by Management. A copy of the Board meeting minutes detailing

the Board's annual review of the Association's revised ECOA Policies shall be provided to the Regional Director within ten (10) days after the date of the meeting.

Management Changes.

23. Effective immediately, the Association shall comply with the prior notification requirements for changes in directors and Senior Executive Officers set forth in 12 CFR Part 563, Subpart H.

Employment Contracts and Compensation Arrangements.

24. Effective immediately, the Association shall not enter into, renew, extend, or revise any contractual arrangement relating to compensation or benefits for any Senior Executive Officer or director of the Association, unless it first provides the OTS with not less than thirty (30) days prior written notice of the proposed transaction. The notice to the OTS shall include a copy of the proposed employment contract or compensation arrangement, or a detailed, written description of the compensation arrangement to be offered to such officer or director, including all benefits and perquisites. The Board shall ensure that any contract, agreement, or arrangement submitted to the OTS fully complies with the requirements of 12 CFR Part 359, 12 CFR §§ 563.39 and 563.161(b), and 12 CFR Part 570 – Appendix A.

Transactions with Affiliates.

25. Effective immediately, the Association shall not engage in any transactions or enter into any contracts or agreements with an Affiliates³ or Insiders⁴, except in compliance with applicable laws, rules, regulations, and OTS guidance. The Board shall ensure the Association complies with the requirements of this Paragraph and the Association's Senior Executive Officers shall provide such documentation and information as the Board requests.

³ 12 CFR § 223.2.

⁴ 12 CFR § 215.2(h).

Severance and Indemnification Payments.

26. Effective immediately, the Association shall not make any golden parachute payment⁵ or prohibited indemnification payment⁶ unless, with respect to each such payment, the Association has complied with the requirements of 12 CFR Part 359 and, as to indemnification payments, 12 CFR § 545.121.

Third Party Contracts.

27. Effective immediately, the Association shall not enter into any third party contract outside the normal course of business unless, with respect to each such contract, the Association has (i) provided the OTS with a minimum of thirty (30) days prior written notice of such contract and (ii) received written notice of non-objection from the Regional Director.

Board Compliance Committee.

28. Within thirty (30) days, the Board shall appoint a committee (Regulatory Compliance Committee) comprising three or more non-employee Directors to monitor and coordinate the Association's compliance with the provisions of this Order and the completion of all corrective action required in the 2007 Examination.

29. Within thirty (30) days after the end of each calendar quarter, beginning with the quarter ending September 30, 2008, the Regulatory Compliance Committee shall submit a written progress report to the Board detailing the actions taken to comply with each provision of this Order, the corrective actions required by the 2007 Examination and the results of all such actions. The Board shall review the Regulatory Compliance Committee's progress report and adopt a resolution (i) certifying that each director has reviewed the progress report; (ii) detailing the Association's compliance with the provisions of this Order and the directives and corrective

⁵ The term "golden parachute payment" is defined at 12 C.F.R. § 359.1(f).

⁶ The term "prohibited indemnification payment" is defined at 12 C.F.R. § 359.1(i).

actions contained in the 2007 Examination; (iii) identifying each instance of noncompliance; and (iv) setting forth in detail additional corrective actions or steps adopted or required by the Board to address each instance of noncompliance.

30. Within sixty (60) days, and thereafter within forty-five (45) days after the end of each calendar quarter, the Board shall submit to the Regional Director: (i) a copy of the Regulatory Compliance Committee's quarterly progress report required by Paragraph 29 of this Order, and (ii) a copy of the Board resolution required by Paragraph 29 of this Order, including the Board meeting minutes. Nothing contained herein shall diminish the responsibility of the entire Board to ensure the Association's compliance with the provisions of this Order.

Effective Date, Incorporation of Stipulation.

31. This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

Duration.

32. The Order shall remain in effect until terminated, modified or suspended, by written notice of such action by OTS, acting by and through its authorized representatives.

Time Calculations.

33. Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be calendar based, unless otherwise noted.

34. The Regional Director may extend any of the deadlines set forth in the provisions of this Order upon written request by the Association that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

Submissions and Notices.

35. All submissions, including progress reports, to the OTS that are required by or contemplated by this Order shall be submitted within the specified timeframes.

36. Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Order shall be in writing and sent by first class U.S mail (or by reputable overnight carrier, electronic facsimile transmission or hand delivery by messenger) addressed as follows:

- a. To OTS:
John E. Ryan
Regional Director
1475 Peachtree St., N.E.
Atlanta, Georgia 30309

- b. To Association:
Jim Plack, Chief Executive Officer
American Bank
9001 Edmonston Road, Suite 100
Greenbelt, Maryland 20770

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UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)	Order No.: SE-08-011
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American Bank)	Effective Date: September 4, 2008
Rockville, Maryland)	
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OTS Docket No. 08149)	
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STIPULATION AND CONSENT TO ISSUANCE OF ORDER TO CEASE AND DESIST

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Southeast Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed American Bank, Rockville, Maryland, OTS Docket No. 08149 (Association), that OTS is of the opinion that grounds exist to initiate an administrative proceeding against the Association pursuant to 12 USC § 1818(b);

WHEREAS, the Regional Director, pursuant to delegated authority, is authorized to issue cease and desist orders where a savings associations has consented to the issuance of an order; and

WHEREAS, the Association desires to cooperate with OTS to avoid the time and expense of such administrative cease and desist proceedings by entering into this Stipulation and Consent to the Issuance of Order to Cease and Desist (Stipulation) and, without admitting or denying that such grounds exist, but only admitting the statements and conclusions in Paragraph 1 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

1. **Jurisdiction.**

a. The Association is a “savings association” within the meaning of 12 USC § 1813(b) and 12 USC § 1462(4). Accordingly, the Association is “an insured depository institution” as that term is defined in 12 USC § 1813(c); and

b. Pursuant to 12 USC § 1813(q), the Director of OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings association. Therefore, the Association is subject to the authority of OTS to initiate and maintain an administrative cease-and-desist proceeding against it pursuant to 12 USC § 1818(b).

2. **OTS Findings of Fact.**

a. Based on its September 17, 2007 examination of the Association (2007 Examination), OTS finds the Association has engaged in unsafe and unsound banking practices, including unsafe and unsound real estate lending practices, as follows:

- i. The Association failed to appropriately identify, document and monitor large loan relationships, which failure resulted in violations of the Association’s loans to one borrower limits.
- ii. The Association has undertaken significant asset growth via acquisitions and increases in its commercial loan portfolio without appropriate and effective administration and monitoring policies, procedures and systems.
- iii. The Board of Directors of the Association (Board) failed to exercise appropriate oversight and monitoring over the Association’s activities and operations.

b. Further, the OTS finds that the Association has other deficiencies in its management and operations and has failed to comply with requirements of various laws and regulations, including:

- i. The real estate lending standards and interagency guidelines for real estate lending policies, 12 CFR § 560.101.
- ii. The asset classification requirements, 12 CFR § 560.160.
- iii. The records for lending transactions requirements, 12 CFR § 560.170.
- iv. The lending limitations on loans made to one borrower, 12 CFR § 560.93.
- v. The limitations on late charges set forth in 12 CFR § 560.33.
- vi. The requirements of the Home Mortgage Disclosure Act contained in the regulations set forth at 12 CFR § 203.4(a)(1) and (12).
- vii. The requirements of the Equal Credit Opportunity Act contained in the regulations set forth at 12 CFR § 202.9(a)(2).
- viii. The requirements of the Real Estate Settlement Procedures Act contained in the regulations set forth at 24 CFR §§ 3500.21(d)(2)(i)(A), (d)(3)(iv) and (d)(3)(vii).

3. Consent.

The Association consents to the issuance by OTS of the accompanying Order to Cease and Desist (Order). The Association further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

4. Finality.

The Order is issued by OTS under 12 USC § 1818(b) and upon the Effective Date it shall

be a final order, effective and fully enforceable by OTS under the provisions of 12 USC § 1818(i).

5. Waivers.

The Association waives the following:

- a. The right to be served with a written notice of OTS's charges against it as provided by 12 USC § 1818(b) and 12 CFR Part 509;
- b. The right to an administrative hearing of OTS's charges as provided by 12 USC § 1818(b) and 12 CFR Part 509;
- c. The right to seek judicial review of the Order, including, without limitation, any such right provided by 12 USC § 1818(h), or otherwise to challenge the validity of the Order; and
- d. Any and all claims against OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes or otherwise.

6. OTS Authority Not Affected.

Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar or otherwise prevent OTS from taking any other action affecting the Association if at any time OTS deems it appropriate to do so to fulfill the responsibilities placed upon OTS by law.

7. Other Governmental Actions Not Affected.

The Association acknowledges and agrees that its consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 6 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than

OTS.

8. Miscellaneous.

a. The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order;

b. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise;

c. All references to OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns;

d. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order;

e. The terms of this Stipulation and of the Order represent the final agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters; and

f. The Stipulation and Order shall remain in effect until terminated, modified, or suspended in writing by OTS, acting through its Regional Director or other authorized representative.

9. Signature of Directors/Board Resolution.

Each Director signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of the Association to the issuance of the Order and the execution of the Stipulation.

WHEREFORE, the Association, by its directors, executes this Stipulation.

**AMERICAN BANK
Rockville, Maryland**

By: JS
Joseph R. Schuble, Jr.
Chairman

JS
Jeffrey Cohen, Director

JS
Herbert Greenwald, Director

JS
James E. Plack, Director

JS
Michael Postal, Director

Accepted by:

OFFICE OF THRIFT SUPERVISION

By: JS
John E. Ryan
Regional Director, Southeast Region

Date: See Effective Date on page 1