

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of	)	
	)	Order No.: CN 09-41
	)	
MARITIME SAVINGS BANK	)	Effective Date: November 6, 2009
	)	
West Allis, Wisconsin	)	
OTS Docket No. 18048	)	
	)	

ORDER TO CEASE AND DESIST

WHEREAS, Maritime Savings Bank, West Allis, Wisconsin, OTS Docket No. 18048 (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 and agreed to the issuance of this Order to Cease and Desist (Order) by the Office of Thrift Supervision (OTS) pursuant to 12 U.S.C. § 1818(b); and

WHEREAS, pursuant to delegated authority, the OTS Regional Director for the Central Region (Regional Director) is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED that:

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 the unsafe or unsound practices that resulted in the Association operating: (a) with an inadequate level of capital protection for the volume, type, and quality of assets held by the Association; (b) with an excessive level of adversely classified loans and assets as described in the May 4, 2009 Report of Examination (2009 ROE); (c) with a board of directors that has failed to exercise adequate supervision over and provide adequate direction to management of the Association to prevent unsafe and unsound banking practices; (d) with inadequate earnings to augment capital; and (e) without adequate liquidity or proper regard for funds management in light of the Association's asset and liability mix.

Capital.

2. (a) No later than January 31, 2010, the Association shall have and thereafter maintain, after the funding of an adequate ALLL, a Tier 1 (Core) Capital Ratio equal to or greater than eight percent (8%) and a Total Risk-Based Capital Ratio equal to or greater than twelve percent (12%).
- (b) No later than November 30, 2009, or at any time requested in writing by the Regional Director, the Board shall prepare and submit to the Regional Director for review and comment a Contingency Plan. The Contingency Plan required by this Subparagraph shall detail the actions to be taken, with specific time frames, to achieve one of the following results within sixty (60) days after implementation of the Contingency Plan: (i) merger with or acquisition by another federally insured depository institution or holding company thereof; or (ii) voluntary liquidation by filing an appropriate application with the OTS in conformity with Federal laws and regulations.

- (c) Within fifteen (15) days after receipt of any comments from the Regional Director, the Board shall revise the Contingency Plan to incorporate any recommended changes by the Regional Director and adopt the Contingency Plan as revised.
- (d) The adopted Contingency Plan shall be implemented immediately by the Association upon notification by the Regional Director. The Board shall ensure that the Association and Management adheres to the Contingency Plan once implemented.
- (e) By the first (1st) and fifteenth (15th) day of each month following implementation of the Contingency Plan, the Association shall provide a written status report (Contingency Plan Status Report) to the Regional Director detailing the Association's actions taken and progress in executing the Contingency Plan. The Contingency Plan Status Report shall discuss and include documents regarding any contacts with investment bankers, due diligence efforts, offers relating to an acquisition or a merger, the execution of a letter of intent or an agreement relating to the acquisition or merger of the Association, and/or the termination of negotiations with a potential acquirer.

Allowance for Loan and Lease Losses.

- 3. (a) Within thirty (30) days, the Board shall revise and submit to the Regional Director for review and comment, the Association's policies, procedures, and methodology to ensure the timely establishment and maintenance of an adequate ALLL level in accordance with applicable laws, regulations, and regulatory guidance (ALLL Policy). The ALLL Policy shall, at a minimum, address the deficiencies and weaknesses and adopt the recommendations contained in the 2009 ROE.
- (b) Within fifteen (15) days after receipt of any comments from the Regional Director, the Board shall revise the ALLL Policy to incorporate any recommended

changes by the Regional Director and adopt the ALLL Policy as revised. The Board shall ensure that the Association and Management implements and adheres to the ALLL Policy. A copy of the ALLL Policy and the Board meeting minutes reflecting the Board's adoption thereof shall be provided to the Regional Director within ten (10) days after the Board meeting.

(c) Within thirty (30) days after the end of each calendar quarter, beginning with the quarter ending December 31, 2009, Management shall analyze the adequacy of the Association's ALLL consistent with the ALLL Policy and prepare and submit to the Board for review a written report detailing Management's analysis and conclusions (Quarterly ALLL Report). The Board's review of the Quarterly ALLL Report, including all qualitative factors considered in determining the adequacy of the Association's ALLL, shall be fully documented in the Board meeting minutes.

4. Effective immediately, the Association shall make the Loss and specific reserve classification adjustments detailed in the 2009 ROE, and shall take appropriate charge-offs for any loans classified as Loss going forward. The Association shall provide the Regional Director with documentation that the required adjustments detailed in the 2009 ROE have been made within ten (10) days after completion of the adjustments.

Asset Quality.

5. (a) Within sixty (60) days, the Board shall prepare, adopt and submit to the Regional Director specific written workout plans for each criticized asset¹ and delinquent loan or group of loans to any one borrower or loan relationship of One Million Dollars

¹ The term "criticized asset" shall include all classified assets, assets designated Special Mention, all nonperforming assets and all delinquent loans.
Maritime Savings Bank
Cease and Desist Order
Page 4 of 18

(\$1,000,000) or greater (Specific Workout Plans). Specific Workout Plans shall also be prepared, adopted and submitted promptly to the Regional Director for each additional criticized asset and delinquent loan group of loans to any one borrower or loan relationship of One Million Dollars (\$1,000,000) or greater subsequently identified through the Association's internal loan review system.

(b) Within thirty (30) days after the end of each calendar quarter, beginning with the quarter ending December 31, 2009, Management shall prepare and the Board shall review a quarterly written status report (Quarterly Asset Report) of each of the Specific Workout Plans as required by this Paragraph.

(c) The Board's review of the Quarterly Asset Report and any corrective actions adopted by the Board shall be fully documented in the appropriate Board meeting minutes. A copy of the Quarterly Asset Report presented to the Board shall be provided to the Regional Director within ten (10) days after the Board meeting.

6. (a) Effective immediately, the Association shall not extend, directly or indirectly, without prior written Regional Director non-objection, any additional credit to, or for the benefit of, any borrower who has a loan or other extension of credit from the Association that has been charged off or classified, in whole or in part "Loss" and is uncollected. The requirements of this Paragraph shall not prohibit the Association from renewing (after collection in cash of interest due from the borrower) any credit already extended to any borrower if the Association fully documents that such a renewal is in the best interest of the Association. The Association's expenses incurred in connection with its real estate owned, including in-substance foreclosures, are not covered by this Paragraph.

(b) Effective immediately, without the prior written approval of the Regional Director, the Association's lending activities shall be limited to the origination of 1-4 family owner-occupied residential mortgages, secured by properties located in the State of Wisconsin, where the loans meet government agency or government sponsored entity underwriting criteria.

Loan Underwriting and Credit Administration.

7. (a) Within sixty (60) days, the Board shall revise and submit to the Regional Director for review and comment the Association's loan underwriting and credit administration policies, procedures, practices, and controls and establish additional policies, practices, and controls to (a) ensure the Association has and adheres to prudent loan underwriting standards in compliance with Sections II C and D of Appendix A to the Safety and Soundness Standards of 12 C.F.R. Part 570; and (b) address all deficiencies and weaknesses and incorporate all recommended corrective actions discussed in the 2009 ROE (Loan Policies).

(b) Within fifteen (15) days after receipt of any comments from the Regional Director, the Board shall revise the Loan Policies to incorporate any recommended changes by the Regional Director and adopt the Loan Policies as revised. The Board shall ensure that the Association and Management implements and adheres to the Loan Policies. A copy of the Loan Policies and the Board meeting minutes reflecting the Board's adoption thereof shall be provided to the Regional Director within ten (10) days after the Board meeting.

Internal Asset Review and Classification.

8. Within thirty (30) days, the Board shall revise the Association's written internal asset review and classification program (ARC Program) to address all deficiencies and weaknesses and incorporate all recommended corrective actions discussed in the 2009 ROE. The ARC Program shall, at a minimum:

- (a) ensure that the ARC Program provides for accurate and timely identification, classification and reporting of the Association's assets;
- (b) strengthen and improve the Association's loan grading system and specify parameters for the identification of problem loans for each category of loans offered by the Association; and
- (c) provide for engagement of a qualified and experienced third party to conduct periodic reviews, not less than annually, of the Association's loan portfolio and loan grading system.

The Board shall ensure that the Association and Management adheres to and implements the ARC Program.

Concentrations of Credit.

9. (a) Within thirty (30) days, the Association shall establish comprehensive and reasonable loan concentration limits expressed as a percent of total risk-based capital and document and support the appropriateness of such limits. The loan concentration limits shall be periodically, but no less than annually, reviewed by the Board for appropriateness and modified where necessary.

- (b) Within forty-five (45) days, the Board shall develop a written action plan, including specific time frames, for reducing the level of concentrations and risks associated with the Association's loan portfolio.
- (c) Within forty-five (45) days, the Board shall submit the concentration limits and written action plan required by this Paragraph to the Regional Director for review and comments.
- (d) Within fifteen (15) days after receipt of any comments from the Regional Director, the Board shall revise the concentration limits and written action plan to incorporate any recommended changes by the Regional Director and adopt the concentration limits and written action plan as revised. The Board shall ensure that the Association and Management implements and adheres to the concentration limits and written action plan.

Loans to One Borrower.

- 10. (a) Effective immediately, the Association's lending limit to one borrower is reduced to fifteen percent (15%) of the Association's capital and surplus as set forth in 12 C.F.R. § 560.93.
- (b) Within sixty (60) days, the Board shall develop and submit to the Regional Director for review and comment specific written strategies to reduce the balances for each of those borrowers with aggregate outstanding extensions of credit currently over fifteen percent (15%) of total capital (LTOB Reduction Strategies).
- (c) Within fifteen (15) days after receipt of any comments from the Regional Director, the Board shall revise the LTOB Reduction Strategies to incorporate any recommended changes by the Regional Director and implement as revised.

Management.

11. Within ninety (90) days, the Board shall retain a qualified Chief Executive Officer and a qualified Chief Lending Officer. The Board shall comply with the notification requirements in 12 C.F.R. §§ 563.550 through 563.590, the employment contract requirements in 12 C.F.R. § 563.39, and the management and financial policy requirements in 12 C.F.R. § 563.161(b). As qualified Senior Executive Officers, as that term is defined in 12 C.F.R. § 563.555, each shall have qualifications and experience commensurate with his or her duties and responsibilities at the Association, including, but not limited to, the ability to:

- (a) comply with the requirements of this Order;
- (b) operate the Association in a safe and sound manner;
- (c) comply with applicable laws, rules, and regulations; and
- (d) implement and adhere to a sound business plan that restores all aspects of the Association to a safe and sound condition.

12. (a) Within fifteen (15) days, the Board shall submit to the Regional Director for non-objection the name, resume or biographical data sheet, and a draft engagement letter of an independent third-party to conduct a study of the Association's current management structure, Board supervision, and the Association's compensation program (Management Study). Within fifteen (15) days of receiving written non-objection from the Regional Director, the Board shall retain the independent third-party consultant. The Management Study, which shall be completed within sixty (60) days after the Regional Director deems a third-party acceptable, shall, at a minimum, include:

- (i) identification of present and future management structure and staffing requirements for each area of the Association;

- (ii) objectives by which management's effectiveness will be measured;
 - (iii) an evaluation of the overall compensation paid to the Association's senior management and Board members, including an evaluation of incentive plans;
 - (iv) an assessment of whether Board members are receiving adequate information on the operation of the Association to enable them to fulfill their fiduciary responsibilities and other responsibilities under law; and
 - (v) recommendations for the establishment of a system for periodic, but not less than annual, review, evaluation, and written assessment of the performance of each member of management, including a determination of whether their performance and assigned responsibilities are commensurate with their compensation.
- (b) Within ten (10) days of completion, the Management Study shall be provided directly to the Regional Director for review and comment. Within thirty (30) days of the receipt of comments from the Regional Director, the Board shall develop, implement, and adhere to a written plan that will correct any deficiencies noted in the Management Study and send a copy of the written plan to the Regional Director.

Audit Committee.

13. Within forty-five (45) days, the Board shall revise the Association's corporate governance policies, procedures and practices to correct all Audit Committee weaknesses and deficiencies discussed in the 2009 ROE. At a minimum, the Board shall ensure that:

- (a) a properly functioning and fully effective Audit Committee, consisting of non-employee directors independent of management is maintained and that Audit Committee meetings and discussions are fully documented within minutes and such minutes

periodically reviewed by the full Board; and

(b) the Audit Committee is responsible for the Association's relationship with its independent auditor, including the selection of the independent auditor, setting the audit scopes, and reviewing the independent audit management letter.

Business Plan.

14. (a) Within ninety (90) days, the Board shall prepare and submit a comprehensive three-year business plan for fiscal years 2010, 2011 and 2012 (Business Plan), that is acceptable to the Regional Director. At a minimum, the Business Plan shall include:

(i) the Board's plans and strategies to restructure the Association's operations, strengthen and improve the Association's earnings, reduce expenses, and achieve positive core income and profitability on a consistent basis;

(ii) the Board's strategies for ensuring that the Association has the financial and personnel resources necessary to implement and adhere to the Business Plan, adequately support the Association's risk profile, maintain compliance with applicable regulatory capital requirements, and maintain appropriate levels of liquidity;

(iii) quarterly pro forma financial projections (balance sheet, capital forecasts, and income statement); and

(iv) identification of all relevant assumptions made in formulating the Business Plan and retention of documentation supporting such assumptions.

(b) Upon receipt of written notification from the Regional Director that the Business Plan is acceptable, the Board shall adopt and ensure that the Association implements and adheres to the Business Plan. A copy of the Business Plan and the Board meeting

minutes reflecting the Board's adoption thereof shall be provided to the Regional Director within ten (10) days after the Board meeting.

(c) Any material modifications² to the Business Plan must receive the prior written non-objection of the Regional Director. The Association shall submit proposed modifications to the Regional Director at least forty-five (45) days prior to implementation.

15. (a) Within forty-five (45) days after the close of each calendar quarter, beginning with the calendar quarter ending December 31, 2009, the Board shall review quarterly variance reports on the Association's compliance with the revised Business Plan (Quarterly Business Plan Variance Reports). The Quarterly Business Plan Variance Reports shall:

- (i) identify material variances³ in the Association's actual performance during the preceding quarter as compared to the projections set forth in the revised Business Plan;
- (ii) contain an analysis and explanation of identified variances; and
- (iii) discuss the specific measures taken or to be taken to address identified variances.

(b) The Board's review of the Quarterly Business Plan Variance Reports, including any corrective actions adopted by the Board, shall be fully documented in the Board

² A modification shall be considered material under this section of the Order if the Association: (a) plans to engage in any activity that is inconsistent with the revised Business Plan; or (b) plans to exceed the level of any activity contemplated in the revised Business Plan by more than ten percent (10%), unless the activity involves assets risk-weighted fifty percent (50%) or less, in which case a modification of more than twenty-five percent (25%) shall be deemed to be a material modification.

³ A variance shall be considered material under this section of the Order if the Association: (a) engages in any activity that is inconsistent with the revised Business Plan; or (b) exceeds the level of any activity contemplated in the revised Business Plan or fails to meet target amounts established in the revised Business Plan by more than ten percent (10%), unless the activity involves assets risk-weighted fifty percent (50%) or less, in which case a variance of more than twenty-five percent (25%) shall be deemed to be a material variance.

meeting minutes. A copy of the Quarterly Business Plan Variance Reports and the Board meeting minutes detailing the Board's review shall be provided to the Regional Director within ten (10) days after the Board meeting.

Liquidity.

16. (a) Within thirty (30) days, the Board shall revise and submit to the Regional Director for review and comment a liquidity management policy for the Association that addresses the deficiencies discussed in the 2009 ROE and ensures conformance with the guidance contained in OTS Thrift Bulletin 77 and Sections 530 and 560 of the OTS Examination Handbook (Liquidity Policy). The Liquidity Policy shall include a written plan to ensure the maintenance of adequate short-term and long-term liquidity to withstand any anticipated or extraordinary demand against its funding base.

(b) Within ten (10) days after the receipt of any comments from the Regional Director, the Board will revise the Liquidity Policy to incorporate any recommended changes by the Regional Director and adopt the Liquidity Policy. The Board shall ensure that the Association implements and adheres to the Liquidity Policy.

17. Effective immediately, the Association shall, on a weekly basis or more frequently if requested by the Regional Director, submit an acceptable liquidity and cash flow analysis to the Regional Director until such time as the Regional Director releases the Association from this reporting requirement.

Flood Insurance.

18. Within ninety (90) days, the Board shall revise the Association's policies, procedures and systems for compliance with the requirements of the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. §§ 4001-4129, as implemented

by Part 572 of the OTS's Rules and Regulations, 12 C.F.R. Part 572 (collectively, Flood Laws and Regulations) to address the weaknesses and deficiencies discussed in the 2009 ROE.

Equal Credit Opportunity Act/Fair Lending.

19. Within ninety (90) 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 (ECOA), its implementing regulations at 12 CFR Part 202 (Regulation B), and the Interagency Fair Lending Examination Procedures and ensure that all deficiencies, weaknesses and corrective actions identified by OTS in the 2009 ROE have been addressed.

Growth.

20. Effective immediately, the Association shall not increase its total assets during any quarter in excess of an amount equal to net interest credited on deposit liabilities during the previous quarter without the prior written approval of the Regional Director. (See OTS Regulatory Bulletin 3b.)

Severance and Indemnification Payments.

21. Effective immediately, the Association shall not make any golden parachute payment⁴ or any prohibited indemnification payment⁵ unless, with respect to each such payment, the Association has complied with the requirements of 12 C.F.R. Part 359 and, as to indemnification payments, 12 C.F.R. § 545.121.

Third Party Contracts.

22. Effective immediately, the Association shall not enter into any arrangement or contract with a third party service provider that is significant to the overall operation or financial

⁴ The term "golden parachute payment" is defined at 12 C.F.R. § 359.1(f).

⁵ The term "prohibited indemnification payment" is defined at 12 C.F.R. § 359.1(l).

condition of the Association⁶ or outside the Association's normal course of business unless, with respect to each such contract, Association has: (i) provided OTS with a minimum of thirty (30) days prior written notice of such arrangement or contract; (ii) determined that the arrangement or contract complies with the standards and guidelines set forth in Thrift Bulletin 82a; and (iii) received written notice of no objection from the Regional Director.

Directorate and Management Changes.

23. Effective immediately, the Association shall comply with the prior notification requirements for changes in directors and Senior Executive Officers⁷ set forth in 12 C.F.R. Part 563, Subpart H.

Brokered Deposits.

24. Effective immediately, the Association shall comply with the brokered deposit restrictions contained in 12 C.F.R. § 337.6(b).

Employment Contracts and Compensation Arrangements.

25. 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 OTS with not less than thirty (30) days prior written notice of the proposed transaction and receives a written notice of non-objection from the Regional Director. The notice to 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 OTS fully complies with the

⁶ A contract will be considered significant to the overall operation or financial condition of the Association where the annual contract amount equals or exceeds two (2) percent of the Association's total capital.

⁷ The term "Senior Executive Officer" is defined at 12 C.F.R. § 563.555.

requirements of 12 C.F.R Part 359, 12 C.F.R §§ 563.39 and 563.161(b), and 12 C.F.R Part 570 – Appendix A.

Violations of Law.

26. Within thirty (30) days, the Board shall develop and submit to the Regional Director for review and comment a written plan (Remediation Plan) to ensure that the Association addresses all violations of law, rule, and/or regulation discussed in the 2009 ROE and ensure that the Association adheres to specific procedures to prevent future violations. Within twenty (20) days after receipt of comments from the Regional Director regarding the Remediation Plan, if any, the Board shall incorporate such comments and shall adopt and implement the revised Remediation Plan.

27. Within thirty (30) days of receipt of any subsequent OTS Report of Examination, internal audit report, independent external audit report, or other report prepared by the Association's employees, agents, or independent contractors, which cites or discusses any violation of law, rule, or regulation, the Board shall prepare, adopt, and thereafter ensure the Association adheres to specific procedures to correct such violations and prevent future violations.

Compliance.

28. On a quarterly basis, beginning with the quarter ending March 31, 2010, the Board shall adopt and submit to the Regional Director certified copies of a Board resolution (Compliance Resolution) formally resolving that, following a diligent inquiry of relevant information (including a report from the Association's management regarding the Association's compliance with each provision of this Order), to the best of its knowledge and belief, during the immediately preceding quarter, the Association has complied with each provision of this Order currently in effect, except as otherwise stated. The Compliance Resolution, which shall be

submitted to the Regional Director within thirty (30) days after the end of each calendar quarter, shall: (1) specify in detail how, if at all, full compliance was found not to exist; and (2) identify all notices of exemption or non-objection issued by OTS that were outstanding as of the date of its adoption. In the event that one or more directors do not agree with the representations set forth in a Compliance Resolution, such a disagreement shall be noted in the Compliance Resolution.

Effective Date, Incorporation of Stipulation.

29. 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.

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

Time Calculations.

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

32. The Regional Director, or an OTS authorized representative, 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.

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

34. 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 transmission via facsimile or email, or hand delivery by messenger) addressed as follows:

(a) To the OTS:
Regional Director
Office of Thrift Supervision
One South Wacker Drive, Suite 2000
Chicago, Illinois 60606
Facsimile: (312) 917-5002

(b) To the Association:
Chairman of the Board
Maritime Savings Bank
10427 West Lincoln Avenue
West Allis, Wisconsin 53227
Facsimile: (414) 328-2748

No Violations Authorized.

35. Nothing in this Order or the Stipulation shall be construed as allowing the Association, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: _____/s/
Daniel T. McKee
Regional Director, Central Region

Date: See Effective Date on page 1

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

_____	)	
In the Matter of	)	Order No.: CN 09-41
	)	
MARITIME SAVINGS BANK	)	Effective Date: November 6, 2009
	)	
West Allis, Wisconsin	)	
OTS Docket No. 18048	)	
_____	)	

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 Central Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed Maritime Savings Bank, West Allis, Wisconsin, OTS Docket No.18048 (Association) that the OTS is of the opinion that grounds exist to initiate an administrative proceeding against the Association pursuant to 12 U.S.C. § 1818(b);

WHEREAS, the Regional Director, pursuant to delegated authority, is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order; and

WHEREAS, the Association desires to cooperate with the OTS to avoid the time and expense of such administrative cease and desist proceeding by entering into this Stipulation and Consent to 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 Paragraphs 1 and 2 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

Jurisdiction.

1. The Association is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, the Association is “an insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).
2. Pursuant to 12 U.S.C. § 1813(q), the Director of the 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 the OTS to initiate and maintain an administrative cease and desist proceeding against it pursuant to 12 U.S.C. § 1818(b).

OTS Findings of Fact.

3. Based on its May 4, 2009 Report of Examination of the Association (2009 ROE), the OTS finds that the Association has engaged in unsafe or unsound banking practices including, operating the Association: (a) with an inadequate level of capital protection for the volume, type, and quality of assets held by the Association; (b) with an excessive level of adversely classified loans and assets as described in the 2009 ROE; (c) with a board of directors that has failed to exercise adequate supervision over and provide adequate direction to management of the Association to prevent unsafe and unsound banking practices; (d) with inadequate earnings to augment capital; and (e) without adequate liquidity or proper regard for funds management in light of the Association’s asset and liability mix.

Consent.

4. The Association consents to the issuance by the 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.

Finality.

5. The Order is issued by the OTS under 12 U.S.C. § 1818(b). Upon the Effective Date, the Order shall be a final order, effective, and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

Waivers.

6. The Association waives the following:

- (a) the right to be served with a written notice of the OTS's charges against it as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (b) the right to an administrative hearing of the OTS's charges as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and
- (d) any and all claims against the 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.

OTS Authority Not Affected.

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

Other Governmental Actions Not Affected.

8. 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 7 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 the OTS.

Miscellaneous.

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

10. 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.

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

12. 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.

13. 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.

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

Signature of Directors/Board Resolution.

15. 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.

Accepted by:

MARITIME SAVINGS BANK
West Allis, Wisconsin

OFFICE OF THRIFT SUPERVISION

_____/s/
Richard E. Barnes, Director

By:_____/s/
Daniel T. McKee
Regional Director, Central Region

_____/s/
Mathew J. Olsen, Director

Date: See Effective Date on page 1

_____/s/
Joseph D. Rudolph, Director

_____/s/
Jeffrey M. Treslley, Director