

-FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

AND

STATE OF WISCONSIN

DEPARTMENT OF FINANCIAL INSTITUTIONS

In the Matter of)	
)	
FOUNDATIONS BANK)	AMENDED
PEWAUKEE, WISCONSIN)	CONSENT ORDER
)	
)	FDIC-10-114b
(Wisconsin Chartered Insured)	
Nonmember Bank))	

The Federal Deposit Insurance Corporation ("FDIC") and the Department of Financial Institutions for the State of Wisconsin ("WDFI") issued a CONSENT ORDER ("ORDER") against Foundations Bank, Pewaukee, Wisconsin ("Bank") dated June 1, 2010. The FDIC and WDFI have determined that it is necessary to amend the ORDER to address current conditions and circumstances.

The Bank, having already been advised of its rights to a NOTICE OF CHARGES AND OF HEARING detailing the additional unsafe or unsound banking practices alleged to have been committed by the Bank, and of its right to a hearing on those charges under section 8(b) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b), and under section 220.04(9) of the Wisconsin Statutes, Wis. Stat. § 220.04(9) regarding hearings before the WDFI and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN AMENDED CONSENT ORDER

("STIPULATION") with the representatives of the FDIC and WDFI, dated May 29, 2012, whereby, solely for the purpose of this proceeding and without admitting or denying the additional charges of unsafe or unsound banking practices alleged, the Bank consented to the issuance of an AMENDED CONSENT ORDER ("AMENDED ORDER") by the FDIC and the WDFI.

The FDIC and the WDFI considered the matter and determined that the requirements for issuance of an amendment to an order under 12 U.S.C. § 1818(b) and the Wisconsin Statutes § 220.04(9) have been satisfied. The FDIC and the WDFI therefore accepted the STIPULATION and now HEREBY ORDER that the ORDER be and is hereby amended to require the Bank, its institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and its successors and assigns, to take the following additional affirmative actions:

MANAGEMENT PLAN

1. (a) The Bank shall draft a new, written Management Plan to address the Bank's current management needs based upon the recommendations of the 2010 Management Study which was completed in compliance with paragraph 2 of the ORDER.

(b) A copy of the Management Plan required by this paragraph shall be submitted to the Regional Director and WDFI for review and approval.

CAPITAL

2. (a) Within ninety (90) days from the effective date of this AMENDED ORDER, the Bank shall have and maintain its level of Tier 1 capital as a percentage of its total assets ("capital ratio") at a minimum of nine (9.00%) percent and its level of qualifying total capital as a percentage of risk-weighted assets ("total risk based capital ratio") at a minimum of twelve (12.00%) percent. For purposes of this AMENDED ORDER, Tier 1 capital, qualifying total capital, total assets, and risk-weighted assets shall be calculated in accordance with Part 325 of the FDIC Rules and Regulations ("Part 325"), 12 C.F.R. Part 325.

(b) Should the Bank be unable to reach the required capital levels within the time frames specified in subparagraph (a) above, or be unable to maintain those levels, then within thirty (30) days of receipt of written direction from the Regional Director and the WDFI, the Bank shall develop, adopt, and implement a written plan to sell or merge itself into another federally insured financial institution or to otherwise obtain a sufficient capital investment into the Bank to fully meet the capital requirements of this paragraph.

(c) The written plan required by this subparagraph shall be subject to the review and approval of the Regional Director and the WDFI.

BALANCE SHEET AUDIT

3. (a) Within forty-five (45) days from the effective date of this AMENDED ORDER, the Board shall engage a qualified external auditing firm to complete a balance sheet audit of the Bank's financial records for the year 2011, and for each subsequent year while this ORDER remains in effect. Changes made by the Bank in its audit program as a result of complying with this paragraph shall be recorded in the applicable Board minutes.

(b) A copy of the engagement letter with the external audit firm as well as copies of any changes made to the Bank's audit program as a result of these audits shall be forwarded to the Regional Director and the WDFI.

PROGRESS REPORTS

4. Within thirty (30) days from the end of each calendar quarter following the effective date of this AMENDED ORDER, the Bank shall furnish to the Regional Director and the WDFI written progress reports signed by each member of the Bank's board of directors, detailing the actions taken to secure compliance with the AMENDED ORDER and the results thereof.

The effective date of this AMENDED ORDER shall be the date of its issuance by the FDIC and the WDFI.

The provisions of this AMENDED ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this AMENDED ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the FDIC and the WDFI.

All provisions of the existing ORDER shall remain in full force and effect except as otherwise modified by this AMENDED ORDER.

Pursuant to delegated authority.

Dated: June 1st, 2012.

/S/ _____

M. Anthony Lowe
Regional Director
Chicago Regional Office
Federal Deposit Insurance
Corporation

/S/ _____

Michael J. Mach
Administrator, Division of Banking
Department of Financial
Institutions
State of Wisconsin