

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of)

EDGEBROOK BANK)
CHICAGO, ILLINOIS)

(INSURED STATE NONMEMBER BANK))

TEMPORARY ORDER TO
CEASE AND DESIST

FDIC-15-0056c&b

The Federal Deposit Insurance Corporation ("FDIC") has determined that the unsafe or unsound banking practices which EDGEBROOK, BANK, CHICAGO, ILLINOIS ("Bank") is alleged to have engaged in or which the FDIC has reason to believe the Bank is about to engage in, as specified in the NOTICE OF CHARGES AND OF HEARING ("NOTICE") attached hereto and incorporated herein by reference, and/or the continuation thereof by the Bank, are likely to cause the significant dissipation of assets, weaken the condition of the Bank, or otherwise prejudice the interests of the depositors of the Bank prior to the completion of the proceedings against the Bank conducted pursuant 12 U.S.C. § 1818(b). Therefore, the FDIC hereby issues this TEMPORARY ORDER TO CEASE AND DESIST ("TEMPORARY ORDER") and hereby gives notice pursuant to 12 U.S.C. § 1818(c)(1) that the Bank and its institution-affiliated parties, successors and assigns, be and hereby are ORDERED TO CEASE AND DESIST from and take affirmative action, as follows:

1. Immediately upon the effective date of this TEMPORARY ORDER, the Bank and any institution affiliated party of the Bank shall not make any loans, or extensions of credit of any type without the prior written approval of the FDIC except as provided in provisions 1(a) and 1(b).

(a) The Bank may continue to fund legally binding commitments originated before February 18, 2015. Advances may only be made if there is full compliance with all terms and conditions for funding such advances in the Bank's loan policy. Requests for advances shall be written and shall include supporting evidence, as required by the Bank's loan policy. Written requests to disburse funds directly to a lienholder may be approved provided said lien is well-documented. When added to the existing loan balance, advances shall not exceed the credit limit as approved for the borrower prior to February 18, 2015.

(b) Overdrafts may be approved up to \$5,000 at any given time, per customer deposit account, provided that, after taking into account the new overdraft(s), the total outstanding overdraft balance for such customer deposit account does not exceed \$5,000.

2. The Bank shall amend its September 30, 2014 and December 31, 2014 Reports of Condition and Income to recognize the amount of the loan loss provision, the amount of the nonaccrual loan adjustments, interest income adjustments and provisions to the ALLL identified in the November 3, 2014 Report of Visitation, which shall include:

(a) \$1,956,000 in provisions to the ALLL;

(b) \$102,000 reversal of interest income inappropriately recognized for loans that were inappropriately accruing interest; and

(c) All subsequent Reports of Condition and Income filed during the life of this TEMPORARY ORDER shall utilize the amount of loan loss provisions, the amount of interest income inappropriately recognized for loans that require nonaccrual treatment, and the charge-off of any amounts identified as Loss, that is determined by any subsequent Report of Examination, Visitation Report, or correspondence from the Regional Director.

3. On Monday of each week this TEMPORARY ORDER is in effect, the Bank shall provide to the Regional Director of the FDIC's Chicago Regional Office ("Regional Director") a

