

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION
TALLAHASSEE, FLORIDA

_____	)	
In the Matter of	)	CONSENT ORDER
	)	
U.S. CENTURY BANK	)	
DORAL, FLORIDA	)	FDIC-11-174b
	)	OFR 0836-FI-4/11
(Insured State Nonmember Bank)	)	
_____	)	

The Federal Deposit Insurance Corporation (“FDIC”) is the appropriate Federal banking agency for U.S. Century Bank, Doral, Florida, (“Bank”), under section 3(q) of the Federal Deposit Insurance Act (“Act”), 12 U.S.C. § 1813(q).

The Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a “Stipulation to the Issuance of a Consent Order” (“STIPULATION”), dated June 2, 2011 that is accepted by the FDIC and the Florida Office of Financial Regulation (“OFR”). With this STIPULATION, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices or violations of law or regulation relating to weaknesses in asset quality, management, earnings, capital, liquidity, and sensitivity to market risk, to the issuance of this Consent Order (“ORDER”) by the FDIC and the OFR. The OFR may issue an ORDER pursuant to Chapter 120 and Section 655.033, Florida Statutes (2010).

Having determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) and under Chapter 120 and Section 655.033, Florida Statutes (2010), have been satisfied, the FDIC and the OFR hereby order that:

BOARD OF DIRECTORS

1. (a) As of the effective date of this ORDER, the Board shall increase its participation in the affairs of the Bank, assuming full responsibility for the approval of sound policies and objectives and for the supervision of all of the Bank's activities, consistent with the role and expertise commonly expected for directors of banks of comparable size. This participation shall include meetings to be held no less frequently than monthly at which, at a minimum, the following areas shall be reviewed and approved: reports of income and expenses; new, overdue, renewal, insider, charged-off, and recovered loans; investment activity; adoption or modification of operating policies; individual committee reports; audit reports; internal control reviews including management's responses; and compliance with this ORDER. Board meeting minutes shall document these reviews and approvals, including the names of any dissenting directors.

(b) Within 30 days from the effective date of this ORDER, the Board shall establish a Board committee ("Directors' Committee"), consisting of at least 5 members, to oversee the Bank's compliance with this ORDER. At least a majority of the members of such committee shall be directors not employed in any capacity by the Bank other than as a director. The Directors' Committee shall formulate and review monthly reports detailing the Bank's actions with respect to compliance with this ORDER. The Directors' Committee shall present a report to the Board at each regularly scheduled Board meeting, and such report shall detail the Bank's adherence to this ORDER. Such report shall be recorded in the appropriate Board meeting minutes and shall be retained in the Bank's records. Establishment of this committee does not in any way diminish the responsibility of the entire Board to ensure compliance with the provisions of this ORDER.

(c) During the life of this ORDER, the Board shall take action to ensure that complete and accurate minutes of Board and committee meetings are maintained, and that such minutes adequately address the areas covered in this ORDER; and that management reports are sufficient to provide the Board with timely and adequate information necessary for making business decisions on the basis of fully informed and meaningful deliberation.

MANAGEMENT

2. (a) Within 90 days from the effective date of this ORDER, the Bank shall have and retain qualified management with the qualifications and experience commensurate with assigned duties and responsibilities at the Bank. Each member of management shall be provided appropriate written authority from the Board to implement the provisions of this ORDER. At a minimum, management shall include the following:

(i) A chief executive officer with proven ability in managing a bank of comparable size and in effectively implementing lending, investment and operating policies in accordance with safe and sound banking practices;

(ii) A senior lending officer with a significant amount of appropriate lending, collection, and loan supervision experience, and experience in upgrading a low quality loan portfolio; and

(iii) A chief financial officer with a significant amount of appropriate experience in managing the financial aspects and official reporting of a bank of similar size and complexity in accordance with sound banking practices.

(b) The qualifications of management shall be assessed on its ability to:

(i) Comply with the requirements of this ORDER;

(ii) Operate the Bank in a safe and sound manner;

(iii) Comply with applicable laws and regulations; and

(iv) Restore all aspects of the Bank to a safe and sound condition, including,

but not limited to, asset quality, capital adequacy, earnings, management effectiveness, risk management, liquidity and sensitivity to market risk.

(c) During the life of this ORDER, the Bank shall notify the Regional Director of the FDIC's Atlanta Regional Office ("Regional Director") and the OFR (collectively, "Supervisory Authorities"), in writing and within 10 business days, of the resignation or termination of any of the Bank's directors or senior executive officers and provide the reason for the resignation or termination of the individual. Prior to the addition of any individual to the Board or the employment of any individual as a senior executive officer or executive officer, as those terms are defined in 12 C.F.R. § 303.101, and in Section 655.005, Florida Statutes, the Bank shall comply with the requirements of 12 U.S.C. § 1831i, 12 C.F.R. §§ 303.100-303.104, Section 655.0385, Florida Statutes, and Rule 69U-100.03852, Florida Administrative Code, Fla. Admin. Code Ann. r. 69U-100.03852. The notification shall include a description of the background and experience of the individual or individuals to be added or employed and must be received at least 60 days before such addition or employment is intended to become effective. If the Supervisory Authorities issue a notice of disapproval pursuant to section 32 of the Act, 12 U.S.C. § 1831i, or Section 655.0385(2), Florida Statutes, with respect to any proposed individual, then such individual may not be added or employed by the Bank.

3. (a) Within 30 days from the effective date of this ORDER, the Bank shall retain a bank consultant who will develop a written analysis and assessment of the Bank's management needs ("Management Report") for the purpose of providing qualified management for the Bank.

(b) The Management Report shall be developed within 60 days from the effective date of this ORDER and shall include, at a minimum:

(i) Identification of both the type and number of officer positions needed to properly manage and supervise the affairs of the Bank;

(ii) Identification and establishment of such Bank committees as are needed to provide guidance and oversight to active management;

(iii) Written evaluation of all senior executive officers to determine whether such individuals possess the ability, experience and other qualifications required to perform present and anticipated duties, including, but not limited to, adherence to the Bank's established policies and practices, restoration of the Bank to a safe and sound condition, and maintenance of the Bank in a safe and sound condition thereafter;

(iv) Evaluation of all Bank officer and director compensation, including salaries, director fees, and other benefits;

(v) A plan to recruit and hire any additional or replacement personnel with the requisite ability, experience and other qualifications to fill those officer or staff member positions consistent with the needs identified in the Management Plan;

(vi) A plan for management succession; and

(vii) An organizational chart.

(c) The Bank shall provide the Supervisory Authorities with a copy of the proposed engagement letter or third party contract for review before it is executed.

(d) The contract or engagement letter, at a minimum, shall include:

(i) A description of the work to be performed under the contract or engagement letter, the fees for each significant element of the engagement, and the aggregate fee;

(ii) The responsibilities of the firm or individual;

(iii) An identification of the professional standards covering the work to be performed;

(iv) Identification of the specific procedures to be used when carrying out the work to be performed;

(v) The qualifications of the employee(s) who will perform the work;

(vi) The time frame for completion of the work;

(vii) Any restrictions on the use of the reported findings;

(viii) A provision for unrestricted examiner access to work papers; and

(ix) A certification that neither the firm, nor any individual involved in the work to be performed, is affiliated in any manner with the Bank.

(e) Within 30 days from receipt of the Management Report, the Bank shall formulate a written plan ("Management Plan") that incorporates the findings of the Management Report, a

plan of action in response to each recommendation contained in the Management Report, and a time frame for completing each action. At a minimum, the Management Plan shall:

- (i) Contain a recitation of the recommendations included in the Management Report;
 - (ii) Incorporate a plan to provide necessary training and development for all employees;
 - (iii) Establish procedures to periodically review and update the Management Plan, as well as periodically review and assess the performance of each officer and staff member; and
 - (iv) Contain a current management succession plan.
- (f) Such Management Plan and its implementation shall be satisfactory to the Supervisory Authorities at the initial review and at subsequent examinations and/or visitations.

CAPITAL

4. (a) Within 120 days from the effective date of this ORDER, the Bank shall have Tier 1 Capital in such amount as to equal or exceed 8 percent of its total assets, and shall have Total Risk-Based Capital in such an amount as to equal or exceed 12 percent of the Bank's total risk-weighted assets.

(b) During the life of this ORDER, the Bank shall maintain a Tier 1 Capital Ratio of at least 8 percent and a Total Risk-Based Capital Ratio of at least 12 percent as those capital ratios are defined in 12 C.F.R. § 325.

(c) The level of Tier 1 Capital to be maintained during the life of this ORDER pursuant to this paragraph shall be in addition to a fully funded allowance for loan and lease losses ("ALLL"), the adequacy of which shall be satisfactory to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

(d) Within 60 days from the effective date of this ORDER, the Bank shall submit to the Supervisory Authorities a written capital plan. Such capital plan shall detail the steps that the Bank shall take to achieve and maintain the capital requirements set forth in this ORDER. In developing the capital plan, the Bank shall take into consideration:

- (i) The volume of the Bank's adversely classified assets;
- (ii) The nature and level of the Bank's asset concentrations;
- (iii) The adequacy of the Bank's ALLL;
- (iv) The anticipated level of retained earnings;
- (v) Anticipated and contingent liquidity needs; and
- (vi) The source and timing of additional funds to fulfill future capital needs.

(e) In addition, the capital plan must include a contingency plan in the event that the Bank has failed to:

- (i) Maintain the minimum capital ratios required by this paragraph;
- (ii) Submit an acceptable capital plan as required by this subparagraph; or
- (iii) Implement or adhere to a capital plan to which the Supervisory Authorities have taken no written objection pursuant to this paragraph.

(f) The contingency plan shall include a plan to sell or merge the Bank. The Bank shall implement the contingency plan upon written notice from the Supervisory Authorities.

(g) Any increase in Tier 1 Capital necessary to meet the requirements of this ORDER may be accomplished by the following:

- (i) Sale of common stock;
- (ii) Sale of noncumulative perpetual preferred stock;
- (iii) Direct contribution of cash by the Board, shareholders, and/or parent holding company;
- (iv) Any combination of the above means; or
- (v) Any other means acceptable to the Supervisory Authorities.

(h) No increase in Tier 1 Capital that is necessary to meet the requirements of this ORDER may be accomplished through a deduction from the Bank's ALLL.

(i) If all or part of any necessary increase in Tier 1 Capital required by this ORDER is accomplished by the sale of new securities, the Board shall take all necessary steps to implement a plan for the sale of such additional securities, including the voting of any shares owned or proxies held or controlled by them in favor of the plan. Should the implementation of the plan involve a public distribution of the Bank's securities (including a distribution limited only to the Bank's existing shareholders), the Bank shall prepare offering materials fully describing the securities being offered, including an accurate description of the financial condition of the Bank and the circumstances giving rise to the offering, and any other material disclosures necessary to comply with applicable federal securities laws. Prior to the

implementation of the plan and, in any event, not less than 15 days prior to the dissemination of such materials, the plan and any materials used in the sale of the securities shall be submitted to the FDIC, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Room MB-5073, Washington, D.C. 20429 and the OFR, Division of Financial Institutions, 200 East Gaines Street, Suite 624, Tallahassee, FL 32399-0371 for review. Any changes requested to be made in the plan or materials by the FDIC or OFR shall be made prior to the dissemination of the plan and materials. If the increase in Tier 1 Capital is provided by the sale of noncumulative perpetual preferred stock, then all terms and conditions of the issue, including but not limited to those terms and conditions relative to interest rate and convertibility factor, shall be presented to the Supervisory Authorities for prior approval.

(j) In complying with the provisions of the Capital paragraph of this ORDER, the Bank shall provide written notice of any planned or existing development, or other changes that are materially different from the information reflected in any offering materials used in connection with the sale of Bank securities, to any subscriber and/or purchaser of the Bank's securities. The written notice required by this paragraph shall be furnished within 10 days from the date such material development or change was planned or occurred, whichever is earlier, and shall be furnished to every subscriber and/or purchaser of the Bank's securities who received or was tendered the information contained in the Bank's original offering materials.

ALLOWANCE FOR LOAN AND LEASE LOSSES AND CALL REPORT

5. Within 60 days from the effective date of this ORDER, the Board shall review the adequacy of the ALLL and establish a comprehensive policy for determining the adequacy of the ALLL. For the purpose of this determination, the adequacy of the ALLL shall be determined after the charge-off of all loans or other items classified "Loss". The policy shall provide for a

review of the ALLL at least once each calendar quarter. Said review shall be completed in time to properly report the ALLL in the quarterly Consolidated Reports of Condition and Income. The review shall focus on the results of the Bank's internal loan review, loan and lease loss experience, trends of delinquent and non-accrual loans, an estimate of potential loss exposure of significant credits, concentrations of credit, and present and prospective economic conditions. The review should include a review of compliance with ASC 450 (Topic 450, "Contingencies") and ASC 310-10-35 (Section 35, "Subsequent Measurement General," of Subtopic 310-10). The policy shall adhere to the guidance set forth in the *Interagency Policy Statement on the Allowance for Loan and Lease Losses*, FIL-105-2006 (Dec. 13, 2006). A deficiency in the ALLL shall be remedied in the calendar quarter it is discovered, prior to submitting the next Consolidated Report of Condition and Income, by a charge to current operating earnings. The Board meeting minutes for the meeting at which such review is undertaken shall indicate the results of the review. The Bank's policy for determining the adequacy of the ALLL and its implementation shall be satisfactory to the Supervisory Authorities as determined at the initial review and at subsequent examinations and/or visitations.

LOAN REVIEW

6. Within 30 days from the effective date of this ORDER, the Bank shall contract for an external loan review, which shall assess the accuracy of the Bank's loan grading system, the quality of credit underwriting and administrative practices, and the correction of documentation weaknesses identified in the FDIC and OFR Reports of Examination dated December 13, 2010 ("Report"). The external loan review shall be conducted within 60 days from the effective date of this ORDER. The written findings of the external loan review shall be submitted to the Supervisory Authorities.

ASSET GROWTH

7. While this ORDER is in effect, the Bank shall notify the Supervisory Authorities at least 60 days prior to undertaking asset growth that exceeds 10 percent or more per annum or initiating material changes in asset or liability composition. In no event shall asset growth result in noncompliance with the capital maintenance provisions of this ORDER unless the Bank receives prior written approval from the Supervisory Authorities.

LENDING

8. Within 60 days from the effective date of this ORDER, the Bank shall revise, adopt, and implement its written lending and collection policy to provide effective guidance and control over the Bank's lending function as recommended on pages 18 through 21 of the Report. Such policy and its implementation shall be in a form and manner acceptable to the Supervisory Authorities at the initial review and at subsequent examinations and/or visitations.

CHARGE-OFF LOSS AND DOUBTFUL

9. (a) No later than the effective date of this ORDER, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss" in the Report that have not been previously collected or charged-off.

(b) Additionally, while this ORDER remains in effect, the Bank shall, within 30 days from the receipt of any official Report of Examination of the Bank from the Supervisory Authorities, eliminate from its books, by collection, charge-off, or other proper entry, the remaining balance of any asset classified "Loss" and 50 percent of those assets classified "Doubtful" unless otherwise approved in writing by the Supervisory Authorities. If an asset is classified "Doubtful", the Bank may, in the alternative, charge-off the amount that is considered

uncollectible in accordance with the Bank's written analysis of loan or lease impairment. Such analysis shall be accomplished in accordance with generally accepted accounting principles, the Federal Financial Institutions Examination Council's ("FFIEC") *Instructions for Preparation of Consolidated Reports of Condition and Income (FFIEC 031 and 041)*, <http://www.ffiec.gov/>, Interagency Statements of Policy on the ALLL, and other applicable regulatory guidance that addresses the adequacy of the Bank's ALLL. Elimination of any of these assets through proceeds of other loans made by the Bank is not considered collection for purposes of this paragraph.

CLASSIFIED ASSET REDUCTION

10. (a) Within 60 days from the effective date of this ORDER, the Bank shall submit a written plan to the Supervisory Authorities to reduce the remaining assets classified "Substandard" in the Report. The plan shall address each asset so classified with a balance of \$1,000,000 or greater and provide the following:

- (i) The name under which the asset is carried on the books of the Bank;
- (ii) Type of asset;
- (iii) Actions to be taken in order to reduce the classified asset; and
- (iv) Timeframes for accomplishing the proposed actions.

(b) The plan shall also include, at a minimum:

- (i) A review of the financial position of each such borrower, including the source of repayment, repayment ability, and alternate repayment sources; and
- (ii) An evaluation of the available collateral for each such credit, including possible actions to improve the Bank's collateral position.

(c) In addition, the Bank's plan shall contain a schedule detailing the projected reduction of total classified assets on a quarterly basis. Further, the plan shall require the submission of monthly progress reports to the Board and mandate a review by the Board.

(d) The Bank shall present the plan to the Supervisory Authorities for review. Within 30 days from the Supervisory Authorities' response, the plan, including any requested modifications or amendments, shall be adopted by the Board and the approval shall be recorded in the Board minutes. The Bank shall then immediately implement the plan.

(e) For purposes of the plan, the reduction of adversely classified assets as of December 13, 2010 shall be detailed using quarterly targets expressed as a percentage of the Bank's Tier 1 Capital plus the Bank's ALLL and may be accomplished by:

- (i) Charge-off;
- (ii) Collection;
- (iii) Sufficient improvement in the quality of adversely classified assets so as to warrant removing any adverse classification, as determined by the Supervisory Authorities; and/or
- (iv) Increase in the Bank's Tier 1 Capital.

NO ADDITIONAL CREDIT

11. (a) Beginning with the effective date of this ORDER, the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who has a loan or other extension of credit from the Bank that has been charged off or classified, in whole or in part, "Loss" or "Doubtful" and is uncollected. The requirements of this paragraph shall not

prohibit the Bank from renewing credit already extended to a borrower after full collection, in cash, of interest due from the borrower.

(b) Additionally, during the life of this ORDER, the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who has a loan or other extension of credit from the Bank that has been classified, in whole or part, "Substandard."

(c) The preceding limitations on additional credit shall not apply if the Bank's failure to extend further credit to a particular borrower would be detrimental to the best interests of the Bank. Prior to the extension of any additional credit pursuant to this paragraph, either in the form of an extension or further advance of funds, such additional credit shall be approved by a majority of the Board or a designated committee thereof, which shall certify in writing that:

(i) The failure of the Bank to extend such credit would be detrimental to the best interests of the Bank, including an explanatory statement of why it would be detrimental to the Bank's best interests;

(ii) The Bank's position would be improved thereby, including an explanatory statement of how the Bank's position would be improved; and

(iii) An appropriate workout plan has been developed and will be implemented in conjunction with the additional credit to be extended.

(d) The signed certification shall be made a part of the meeting minutes of the Board or its designated committee and a copy of the signed certification shall be retained in the borrower's credit file.

(e) Any additional extensions of credit to classified borrowers made under this provision shall be reported at 90-day intervals with the other reporting requirements set forth in this ORDER. At a minimum, the 90-day reports shall include the name of the classified borrower, the amount of additional credit extended, and the total outstanding balance of credit extended to the classified borrower.

SPECIAL MENTION

12. Within 60 days from the effective date of this ORDER, the Bank shall correct the cited deficiencies in the loans listed for "Special Mention" in the Report.

CONCENTRATIONS OF CREDIT

13. Within 60 days from the effective date of this ORDER, the Bank shall perform a risk segmentation analysis and develop a plan with respect to the concentrations of credit listed on the Concentrations page(s) of the Report. The analysis should incorporate applicable guidance set forth in *Guidance on Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices*, FIL-104-2006 (Dec. 12, 2006). Concentrations should be identified by product type, geographic distribution, underlying collateral, or other asset groups which are considered economically related, and in the aggregate represent a large portion of the Bank's Tier 1 Capital and reserve for ALLL. A copy of this analysis shall be provided to the Supervisory Authorities. The plan and its implementation shall be in a form and manner acceptable to the Supervisory Authorities at the initial review and at subsequent examinations and/or visitations.

ASSET/LIABILITY POLICY

14. Within 60 days from the effective date of this ORDER, the Board shall review and revise the Bank's written policy and procedures for managing interest rate risk, taking into consideration examination findings. The policy shall comply with the *Joint Agency Policy Statement on Interest Rate Risk*, FIL-52-1996 (July 12, 1996), shall be consistent with the comments and recommendations detailed in the Report, and shall include, at a minimum, the means by which the interest rate risk position will be monitored, the establishment of risk parameters, and provisions for periodic reporting to management and the Board regarding interest rate risk. Such policy and its implementation shall be satisfactory to the Supervisory Authorities at the initial review and at subsequent examinations and/or visitations.

STRATEGIC PLAN

15. (a) Within 60 days from the effective date of this ORDER, the Bank shall prepare and submit to the Supervisory Authorities an acceptable written business/strategic plan covering the overall operation of the Bank. At a minimum the plan shall establish objectives for the Bank's earnings performance, growth, balance sheet mix, liability structure, capital adequacy, and reduction of nonperforming and underperforming assets, together with strategies for achieving those objectives. The plan shall also identify capital, funding, managerial, and other resources needed to accomplish its objectives. Such plan shall specifically provide for the following:

- (i) Goals for the composition of the loan portfolio by loan type including strategies to diversify the type and improve the quality of loans held;
- (ii) Goals for the composition of the deposit base including strategies to reduce reliance on volatile and costly deposits; and

(iii) Plans for effective risk management and collection practices.

(b) The Board shall approve the business/strategic plan, which shall be recorded in the Board meeting minutes for the meeting at which the business/strategic plan was approved.

BUDGET

16. (a) Within 60 days from the effective date of this ORDER, the Bank shall implement a written plan and a comprehensive budget for all categories of income and expense for the calendar year ending in 2011. The plan and budget required by this paragraph shall include formal goals and strategies, consistent with sound banking practices, and take into account the Bank's other written policies in order to improve the Bank's net interest margin, increase interest income, reduce discretionary expenses, control overhead, and improve and sustain earnings of the Bank. The plan shall include a description of the operating assumptions that form the basis for, and adequately support, major projected income and expense components. Thereafter, the Bank shall formulate such a plan and budget by November 30 of each subsequent year and submit the plan and budget to the Supervisory Authorities for review and comment by December 15 of each subsequent year. The plan and budget required by this ORDER shall be acceptable to the Supervisory Authorities at the initial review and at subsequent examinations and/or visitations.

(b) On a monthly basis, the Board shall evaluate the Bank's actual performance in relation to the plan and budget required by this ORDER and shall record the results of the evaluation, and any actions taken by the Bank, in the minutes of the Board meeting at which such evaluation is undertaken. The actual performance compared to the budget shall be

submitted to the Supervisory Authorities with the quarterly progress reports required by this ORDER.

LIQUIDITY AND FUNDS MANAGEMENT

17. (a) Within 60 days from the effective date of this ORDER, the Bank shall adopt and implement a written plan to improve liquidity, contingency funding, interest rate risk, and asset liability management.

(b) The plan shall incorporate the guidance contained in *Liquidity Risk Management*, FIL-84-2008 (Aug. 26, 2008). The plan shall provide restrictions on the use of brokered and internet deposits consistent with safe and sound banking practices.

(c) A copy of the plan shall be acceptable to the Supervisory Authorities at the initial review and at subsequent examinations and/or visitations. The Bank shall adopt, implement, and follow the plan, and its implementation shall be in a form and manner acceptable to the Supervisory Authorities at the initial review and at subsequent examinations and/or visitations.

(d) Beginning with the effective date of this ORDER, the Bank's management shall review its liquidity position to ensure that the Bank has sufficient liquid assets or sources of liquidity to meet current and anticipated liquidity needs. This review shall include an analysis of the Bank's sources and uses of funds (cash flow analysis). The results of this review shall be presented to the Board for review each month, with the review noted in the Board meeting minutes.

BROKERED DEPOSITS

18. Throughout the effective life of this ORDER, the Bank shall not accept, renew, or rollover any brokered deposit, as defined in 12 C.F.R. § 337.6(a)(2), unless it is in compliance with the requirements of 12 C.F.R. § 337.6(b), which governs the solicitation and acceptance of brokered deposits by insured depository institutions. The Bank shall comply with the restrictions on the effective yields on deposits as described in 12 C.F.R. § 337.6.

RESTRICTIONS OF CERTAIN PAYMENTS

19. While this ORDER is in effect, the Bank shall not declare or pay dividends, bonuses, or make any other form of payment resulting in a reduction of capital outside the ordinary course of business without the prior written approval of the Supervisory Authorities. All requests for prior approval shall be received at least 30 days prior to the proposed dividend or bonus payment declaration date (or at least 5 days with respect to any request filed within the first 30 days from the date of this ORDER) and shall contain, but not be limited to, an analysis of the impact such dividend or bonus payment would have on the Bank's capital, income, and/or liquidity positions.

AUDIT PROGRAM

20. Within 60 days from the effective date of this ORDER, the Bank shall develop an internal audit program that establishes procedures to provide for an independent review of the integrity of the Bank's operational and accounting systems. The program shall be in a form and manner acceptable to the Supervisory Authorities at the initial review and at subsequent examinations and/or visitations.

COMPENSATION

21. (a) Within 60 days from the effective date of this ORDER, the Bank shall undertake a written review of compensation paid to all of the Bank's directors and senior executive officers, as defined in 12 C.F.R. § 303.101(b), and implement an employee compensation plan. At a minimum, the review shall include the following:

- (i) An analysis of each officer's background, experience, duties and responsibilities;
- (ii) An evaluation of each officer's performance compared to the present level of compensation;
- (iii) A comparison of each officer's total compensation to compensation received by officers with similar responsibilities in similar institutions; and
- (iv) A determination of whether present officers are capable of implementing Board directives and policies, complying with applicable laws and regulations, and operating the Bank in a prudent manner.

(b) For the purposes of this paragraph, "compensation" refers to any and all salaries, bonuses, and other benefits of every kind and nature whatsoever, whether paid directly or indirectly. The compensation plan and its implementation shall be in a form and manner acceptable to the Supervisory Authorities.

CONFLICTS OF INTEREST

22. Within 60 days from the effective date of this ORDER, the Bank shall implement written policies and procedures designed to bring to the attention of each member of the Board conflicts

of interest that may exist in approving loans or other transactions in which officers, directors, or principal shareholders of the Bank ("Insiders") are involved. Such policies and procedures shall, at a minimum, ensure that each member of the Board has been apprised of any potential conflict prior to making a decision or acting specifically on any loan or other transaction in which Insiders and/or their business associates are involved, directly or indirectly. The results of any deliberations by the Board regarding potential conflicts shall be reflected in the minutes of its meetings.

ETHICS PROGRAM

23. (a) Within 60 days from the effective date of this ORDER, the Bank shall develop, adopt, and implement a written ethics policy ("Ethics Policy") and program ("Ethics Program"). The Ethics Policy shall state the ethical standards expected of directors, officers, employees, agents, and other persons participating in the conduct of the affairs of the Bank ("Covered Individuals") in the performance of their duties and responsibilities.

(b) The Ethics Program shall establish the definitions, instructions, and format to be followed by all officers and directors, including loan officers, in the preparation of comprehensive conflict disclosure statements ("Statements") to be filed for review by an ethics counselor and/or ethics committee and shall require:

- (i) Initial Statements;
- (ii) Initial Statements from any person who newly becomes a member of this group;
- (iii) Periodic Statements; and

(iv) Immediate reporting of new conflicts or discovery of previously unreported conflicts.

(c) At a minimum, the Ethics Program shall address the:

(i) Acceptance of gifts, entertainment, favors, and loans;

(ii) Use of official information;

(iii) Employment of relatives;

(iv) Use of Bank property;

(v) Reimbursement of travel expenses;

(vi) Disclosure of indebtedness to the Bank or any other financial institution;

(vii) Financial interests and obligations that appear to conflict with the Covered Individual's duties and responsibilities, including, but not limited to, participation of any sort in any transaction or loan in which the Covered Individual, his or her spouse, child, partner, or any organization in which the Covered Individual has a financial interest, or serves as an officer, director, trustee, or partner, is involved;

(viii) Purchase of Bank property;

(ix) Provision of goods or services to the Bank; and

(x) Acceptance of outside employment and/or maintenance of other activities.

(d) The Ethics Policy shall be acceptable to the Supervisory Authorities at the initial review and at subsequent examinations and/or visitations.

OTHER REAL ESTATE

24. Within 60 days from the effective date of this ORDER, the Board shall develop a written policy for managing the Other Real Estate of the Bank. Such policy shall be consistent with all applicable laws, regulations, and other regulatory guidelines regarding appraisals, including, but not limited to, the FDIC's appraisal regulations as described in 12 C.F.R. § 323; Section 658.67(9), Florida Statutes; and *Guidance on Other Real Estate*, FIL-62-2008 (July 1, 2008). The Bank shall submit the policy to the Supervisory Authorities for review and comment. Within 30 days from receipt of any comment from the Supervisory Authorities, and after due consideration of any recommended changes, the Bank shall approve the policy, which shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the policy.

VIOLATIONS OF LAW, REGULATION, AND CONTRAVENTION OF POLICY

25. Within 60 days from the effective date of this ORDER, the Bank will eliminate and/or correct all violations of laws, regulations, and/or contraventions of statements of policy in the Report and shall adopt and implement appropriate procedures to ensure future compliance with all such applicable federal and state laws, regulations, and/or statements of policy.

BSA COMPLIANCE PLAN

26. (a) Within 60 days from the effective date of this ORDER, the Bank shall develop, adopt, and implement a written plan ("Compliance Plan") for administration of a program reasonably designed to ensure and maintain compliance with the laws and regulations related to the Bank Secrecy Act ("BSA"), subchapter II of Chapter 53 of Title 31 of the United States Code, and its implementing rules issued by the U.S. Department of Treasury, 31 C.F.R. Part

1020; the regulations of the Office of Foreign Asset Control (“OFAC”), 12 C.F.R. Part 500; the FDIC’s BSA compliance regulations, 12 C.F.R. § 326.8, the FDIC’s suspicious activity report regulations, 12 C.F.R. Part 353 (“Part 353”), and Section 655.50, Florida Statutes (collectively, “BSA Rules”). The Bank shall submit the Compliance Plan to the Supervisory Authorities.

Upon receipt of the Supervisory Authorities’ comments, if any, the Board shall review, approve, and implement the Compliance Plan. After the Board has approved the Compliance Plan, the review and approval shall be recorded in the minutes of the Board. Thereafter, the Bank shall take appropriate action to enable the Bank to comply with the BSA Rules. At a minimum, the Compliance Plan shall require the review, enhancement, or restatement, as appropriate, of:

(i) a system of internal controls, including policies and procedures to detect and monitor all transactions to ensure compliance with the BSA Rules. Such controls shall specifically address the opening and monitoring of accounts with frequent wire and check activity, and the monitoring of high-risk and suspicious activities for all types of accounts, products, services, and geographic areas;

(ii) procedures for the Bank's Customer Identification Program (“CIP”) and account opening procedures, as further required by paragraph 28, including, but not limited to: policies and procedures with respect to high-risk accounts and customers, including the adequacy of methods for identifying and conducting due diligence on high-risk accounts and customers at account opening and thereafter, and for monitoring high-risk customer relationships on a transaction basis as well as by account and customer;

(iii) policies, procedures, and systems for identifying, evaluating, monitoring, investigating, and reporting suspicious activity, particularly including transactions involving high-risk customers or accounts, and/or high-risk jurisdictions, and the appropriateness of the Bank’s criteria for designating an account as high-risk and assessing the Bank's procedures and

systems for identifying and monitoring customer transactions in accordance with the BSA Rules;

(iv) policies and procedures regarding the identification and reporting of cash transactions;

(v) the designation of a senior Bank official (“BSA Officer”) responsible for coordinating and monitoring day-to-day compliance with the BSA Rules, and adequate, qualified staffing in the BSA area;

(vi) independent annual testing for compliance with the BSA Rules in accordance with the procedures described in section 326.8 of the FDIC’s Rules and Regulations, 12 C.F.R. § 326.8; and

(vii) implementation of the recommendations in the Report for an appropriate training program for the Bank to assure that appropriate personnel are regularly trained to comply with the BSA Rules.

(b) The Bank shall at all times provide for the continued administration of the Compliance Plan designed to assure and monitor compliance with the BSA Rules.

DIRECTORS’ COMMITTEE

27. Within 60 days from the effective date of this ORDER, the Board shall establish a Board committee (“BSA Directors’ Committee”), consisting of at least five members, to oversee the Bank’s compliance with the BSA Rules and this ORDER. A majority of the members of the BSA Directors’ Committee shall not be officers of the Bank. The BSA Directors’ Committee shall receive monthly reports from the BSA Officer regarding the Bank’s actions with respect to the Compliance Plan required in paragraph 26. The BSA Directors’ Committee shall present a report regarding the Bank’s adherence to the Compliance Plan to the Board at each regularly scheduled Board meeting. Such report shall be recorded in appropriate minutes of the Board’s

meeting and shall be retained in the Bank's records.

CUSTOMER IDENTIFICATION PROGRAM

28. Within 60 days from the effective date of this ORDER, the Bank shall review, enhance, and implement its written CIP as required by 31 C.F.R. § 1020.220, which shall be appropriate for the Bank's size and type of business, consistent with the requirements of the BSA Rules and which addresses the criticisms enumerated in the Report. The Bank shall submit the CIP to the Supervisory Authorities for review and comment. Upon receipt of the Supervisory Authorities' comments, if any, the Board shall review and approve the CIP. After the Board has approved the CIP, the review and approval shall be recorded in the minutes of the Board. Thereafter, the Bank shall implement the CIP.

RISK ASSESSMENT

29. Within 60 days from the effective date of this ORDER, the Board shall update the Bank's overall BSA risk assessment of the Bank's compliance with the BSA Rules to consider all major risks, including but not limited to products, services, types of customers, and geographic locations, with analysis of the major risk categories. The Board shall specify in the Compliance Plan how frequently the risk assessment will be updated or reassessed.

SAR AND CTR PROCEDURES

30. (a) Within 60 days from the effective date of this ORDER, the Bank shall establish and implement monitoring and reporting procedures for Suspicious Activity Reports ("SARs") and Currency Transaction Reports ("CTRs") to ensure that all appropriate Bank employees are aware of the procedures, including accurate recordkeeping, form completion, and the detection

and reporting of known and/or suspected criminal activity, and their responsibilities in implementing the procedures.

(b) Within 90 days of the effective date of this ORDER, the Bank shall contract with an independent auditor to conduct a detailed review of all high-risk accounts and high-risk transactions from November 30, 2009, to the present and determine whether SARs and CTRs should be filed. This detailed review shall be completed within 180 days of the effective date of this ORDER and the written report provided to the Board and the Supervisory Authorities. Within sixty (60) days after completion of the detailed review, the BSA Officer shall prepare and file any additional SARs and CTRs necessary based upon the review. Documentation supporting any determination made pursuant to this paragraph shall be retained in the Bank's records for such period of time as may be required by any applicable rules and regulations.

(c) Upon completion of the reviews required pursuant to the subparagraph above, the Bank shall submit the findings of the review and copies of any additional SARs and CTRs filed to the Supervisory Authorities.

BSA, AML, AND OFAC POLICIES

31. Within 90 days from the effective date of this ORDER, the Board shall revise its BSA, Anti-Money Laundering ("AML"), and OFAC policies, procedures, and practices to provide for:

- (a) methods of determining, reviewing, and validating risk ratings of customers, with standards for periodic reassessments;
- (b) comprehensive monitoring of high-risk accounts, with full utilization of account monitoring software;
- (c) adequate systems for account segregation, when applicable in accordance with appropriate regulations, to ensure sufficient data to determine if SARs and CTRs should be filed;

(d) standards for documentation of new accounts, both to meet the minimum standards and to capture sufficient data for customer due diligence, with specification of the time and responsibility for obtaining missing documentation; and

(e) methods of enforcing the Bank's BSA, AML, and OFAC policies, procedures, and practices with consequences specified for noncompliance.

DUE DILIGENCE PROGRAM

32. Within 90 days from the effective date of this ORDER, the Bank shall review, enhance, and implement a written customer due diligence program ("Due Diligence Program"). At a minimum, the customer Due Diligence Program shall provide for a risk focused assessment of the customer base of the Bank to determine the appropriate level of Enhanced Due Diligence ("EDD") necessary for those categories of customers that the Bank has reason to believe pose a heightened risk of illicit activities at or through the Bank.

(a) The Due Diligence Program shall provide for, at a minimum:

- (i) time limits for Bank personnel to respond to account activity exceptions;
- (ii) time limits for determining if exceptions require a SAR; and
- (iii) identification of customers requiring site visitations and frequency of visitations.

(b) EDD shall include the following procedures:

- (i) determination of the appropriate documentation necessary to confirm the identity and business activity of the customer; and
- (ii) understanding of the normal and expected transactions of the customer; and reasonably ensuring the identification and timely, accurate, and complete reporting of known or suspected criminal activity against or involving the Bank to law enforcement and the

Supervisory Authorities, as required by the suspicious activity reporting provisions of 12 C.F.R. Part 353.

INTERNAL CONTROLS

33. Within 90 days from the effective date of this ORDER, and as acceptable to the Supervisory Authorities, the Bank shall develop, adopt, and implement an enhanced system of internal routine and controls to enable the Bank to comply with the BSA Rules including, but not limited to, the monitoring of high-risk and suspicious activities for all types of accounts, customer products, services, and geographic areas.

TRAINING

34. (a) Within 30 days from the effective date of this ORDER, the Bank shall identify staff positions and personnel whose duties, assignments, and responsibilities call for knowledge of the compliance requirements for BSA, AML, and OFAC regulations. Such personnel shall include, but not necessarily be limited to, directors, executive officers, department heads, supervisors, loan officers, loan operations staff, tellers, bookkeepers, couriers, proof operators, information technology staff, and wire-transfer staff.

(b) Within 90 days from the effective date of this ORDER, the Bank shall develop a comprehensive training program that shall have a general component for all directors and staff and specific components that are tailored to the needs of specific positions, departments, and personnel. The training program shall provide for both initial and periodic refresher training, and shall specify who is responsible for dissemination of changes in BSA, AML, and OFAC requirements and in what media and time notifications of changes are to be made. The training program shall require documentation of attendance at training with full explanations of absences

with notation of when absentees will be trained.

(c) The comprehensive training program shall be approved by the Board and forwarded to the Supervisory Authorities with the progress report required by paragraph 36 of this ORDER that is due following the Board's approval.

BSA OFFICER

35. Within 30 days from the effective date of this ORDER, the Board shall designate a qualified officer responsible for managing, coordinating, and monitoring the Bank's Program. The BSA Officer shall have the responsibility and necessary authority to ensure the Bank's compliance with the BSA Rules and related matters, including, without limitation, the identification of timely, accurate and complete reporting to law enforcement and supervisory authorities of unusual or suspicious activity, or known or suspected criminal activity perpetrated against or involving the Bank. The BSA Officer shall report directly to the Board or to the BSA Directors' Committee established by the Board pursuant to paragraph 27 of this ORDER. The Board shall ensure the BSA Officer has the necessary authority to implement all aspects of the Compliance Plan. The BSA Officer shall provide monthly comprehensive written reports to the BSA Directors' Committee regarding the Bank's adherence to the Compliance Plan and this ORDER.

PROGRESS REPORTS

36. Within 30 days from the end of the first quarter following the effective date of this ORDER, and within 30 days from the end of each quarter thereafter, the Bank shall furnish written progress reports to the Supervisory Authorities detailing the form and manner of any actions taken to secure compliance with this ORDER and the results thereof. Such reports shall

include a copy of the Bank's Consolidated Reports of Condition and of Income. Such reports may be discontinued when the corrections required by this ORDER have been accomplished and the Supervisory Authorities have released the Bank in writing from making further reports. All progress reports and other written responses to this ORDER shall be reviewed by the Board and made a part of the appropriate Board meeting minutes.

SHAREHOLDER DISCLOSURE

37. Following the issuance of this ORDER, the Bank shall provide to its shareholders or otherwise furnish a description of this ORDER (i) in conjunction with the Bank's next shareholder communication and (ii) in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe this ORDER in all material respects. The description and any accompanying communication, statement, or notice shall be sent to the FDIC, Division of Supervision and Consumer Protection, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Room MB-5073, Washington, D.C. 20429 and OFR, Division of Financial Institutions, 200 East Gaines Street, Suite 624, Tallahassee, FL 32399-0371 for non-objection or comment at least 15 days prior to dissemination to shareholders. Any changes requested by the FDIC shall be made prior to dissemination of the description, communication, notice, or statement.

The provisions of this ORDER shall not bar, stop, or otherwise prevent the FDIC or any other federal or state agency or department from taking any other action against the Bank or any of the Bank's current or former institution-affiliated parties.

This ORDER shall be effective on the date of issuance.

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

The provisions of this 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.

Issued Pursuant to Delegated Authority.

Dated this 7th day of June, 2011.

/s/

Thomas J. Dujenski
Regional Director
Federal Deposit Insurance Corporation
Atlanta Region
Division of Supervision and Consumer Protection

The Commissioner of the OFR, having duly approved the foregoing ORDER, and the Bank, through its Board, agree that the issuance of said ORDER by the FDIC shall be binding as between the Bank and the OFR to the same degree and to the same legal effect that such ORDER would be binding if the OFR had issued a separate ORDER that included and incorporated all of the provisions of the foregoing ORDER, pursuant to Chapters 120, 655, and 658, Florida Statutes (2010), including specifically Sections 655.033 and 655.041, Florida Statutes (2010).

Dated this 3rd day of June June.

/s/

Linda B. Charity
Director
Office of Financial Regulation
Division of Financial Institutions
By Delegated Authority for the Commissioner