

FEDERAL DEPOSIT INSURANCE CORPORATION  
WASHINGTON, D.C.  
STATE OF FLORIDA  
OFFICE OF FINANCIAL REGULATION

TALLAHASSEE, FLORIDA

|                                |   |                   |
|--------------------------------|---|-------------------|
|                                | ) |                   |
| In the Matter of               | ) | CONSENT ORDER     |
|                                | ) |                   |
| OCEAN BANK                     | ) |                   |
| MIAMI, FLORIDA                 | ) | FDIC-11-207b      |
|                                | ) | OFR 0834-FI-04/11 |
| (Insured State Nonmember Bank) | ) |                   |
|                                | ) |                   |

The Federal Deposit Insurance Corporation (“FDIC”) is the appropriate Federal banking agency for Ocean Bank, Miami, Florida (“Bank”), under 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 April 28, 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, sensitivity to market risk, and its Bank Secrecy Act (“BSA”) program, 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, 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; compliance with the BSA, 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 five members, to oversee the Bank's compliance with this ORDER. 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.

MANAGEMENT

2. (a) As of 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 operating officer with a significant amount of appropriate experience in managing the operations of a bank of similar size and complexity in accordance with sound banking practices and including knowledge of the BSA and its implementing regulations.

(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, including BSA and its implementing 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, the "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. 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 Regional Director or OFR issues a notice of disapproval pursuant to section 32 of the Act, 12 U.S.C. § 1831i, or Section 655.0385(2), with respect to any proposed individual, then such individual may not be added or employed by the Bank.

### CAPITAL

3. (a) Within 60 days from the effective date of this ORDER, the Bank shall have Tier 1 Leverage 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 Leverage 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. Part 325.

(c) 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 paragraph 3(a) above. In developing the capital plan, the Bank must 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) the Bank's cumulative loss estimates;
- (vi) anticipated and contingent liquidity needs; and
- (vii) the source and timing of additional funds to fulfill future capital needs.

(d) 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 paragraph 3(a);

- (ii) submit an acceptable capital plan as required by this paragraph; or
- (iii) implement or adhere to a capital plan to which the Supervisory Authorities have taken no written objection pursuant to this paragraph.

Such 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.

(e) 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.

(f) If any such capital ratios are less than the percentages required by this ORDER, as determined as of the date of any Consolidated Report of Condition and Income or at an examination by the FDIC or the OFR, the Bank shall, within 30 days from receipt of a written notice of the capital deficiency from the Supervisory Authorities, present to the Supervisory Authorities a plan to increase the Bank's Tier 1 Capital or to take other measures to bring all the capital ratios to the percentages required by this ORDER. After the Supervisory Authorities respond to the plan, the Board shall implement the plan, including any modifications and/or amendments requested by 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 to the OFR, Division of Financial Institutions, 200 East Gaines Street, Tallahassee, FL 32399-0371, for review. Any changes requested to be made in the plan or materials by the FDIC or the 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

4. Within 60 days from the effective date of this ORDER, the Board shall review the adequacy of the ALLL and further review, enhance, or restate its 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*, Financial Institution Letter ("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.

#### ASSET GROWTH

5. 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.

#### INTERNAL CONTROLS AND AUDIT

6. Within 90 days from the effective date of this ORDER, the Board shall review, enhance or restate and implement a comprehensive written audit program. This plan shall provide that the internal auditor shall make written monthly reports of audit findings directly to the Board. The Board meeting minutes shall reflect consideration of these reports and describe any action it takes as a result of the audit. The program shall be in a form and manner acceptable to the

Supervisory Authorities at subsequent examinations and/or visitations and, at a minimum, shall conform to the *Interagency Policy Statement on the Internal Audit Function and its Outsourcing*, FIL-21-2003 (March 17, 2003), and provide procedures to test the validity and reliability of operating systems, procedural controls, resulting records, and compliance with the law and regulations related to the 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. Chapter X; 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 program shall provide for monthly reports of audit findings from the internal auditor directly to the Board. The Board shall implement a tracking and follow-up action matrix reviewed for audit exceptions. The minutes of the meeting of the Board shall reflect consideration of these reports and describe any discussion or action taken as a result. The Board shall conduct an annual review of its audit program which includes a review of the adequacy of the program and staffing. The audit program and its implementation shall be approved by the Board and shall be in a form and manner acceptable to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

#### CHARGE-OFF LOSS AND DOUBTFUL

7. (a) Immediately upon 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 Joint Report of Examination dated as of August 2, 2010 (“Report”). Elimination of any of these assets through proceeds of other loans made by the Bank is not considered collection for purposes of this paragraph.

(b) Additionally, while this ORDER remains in effect, the Bank shall, within 30 days from the receipt of any official Report of Examination or Report of Visitation of the Bank from the FDIC or the OFR, 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.

#### CLASSIFIED ASSET REDUCTION

8. (a) Within 90 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 the Report 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 FDIC or the OFR; and/or
- (iv) increase in the Bank's Tier 1 Capital.

#### NO ADDITIONAL CREDIT TO ADVERSELY CLASSIFIED BORROWERS

9. (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, who 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.

### CONCENTRATIONS OF CREDIT

10. (a) Within 60 days from the effective date of this ORDER, the Bank shall develop and submit to the Supervisory Authorities a written plan for systematically reducing and monitoring the concentrations of credit identified in the Report to an amount which is commensurate with the Bank's business strategy, management expertise, size, and location ("Concentration Reduction Plan"). The Concentration Reduction Plan shall prohibit any advance that would increase the concentrations unless the advance is pursuant to an existing loan agreement and is otherwise permissible pursuant to this ORDER.

(b) The Concentration Reduction Plan shall include, but not be limited to:

- (i) dollar levels and percent of total capital to which the Bank shall reduce the concentration;
- (ii) timeframes for achieving the reduction in dollar levels that are established in accordance with (i) above;
- (iii) provisions requiring compliance with *Guidance on Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices*, FIL-104-

2006 (Dec. 12, 2006), and *Managing Commercial Real Estate Concentrations in a Challenging Environment*, FIL-22-2008 (Mar. 17, 2008);

(iv) provisions for controlling and monitoring of commercial real estate ("CRE"), including plans to address the rationale for CRE levels as they relate to growth and capital targets, segmentation, and testing of the CRE portfolio to detect and limit concentrations with similar risk characteristics; and

(v) provisions for the submission of monthly written progress reports to the Board for review and notation in minutes of the Board meetings.

(c) The Concentration Reduction Plan shall be acceptable to the Supervisory Authorities at the initial review and at subsequent examinations and/or visitations. The Board shall approve the Concentration Reduction Plan, which approval shall be recorded in the Board meeting minutes. Thereafter, the Bank shall fully implement the Concentration Reduction Plan.

#### STRATEGIC PLAN

11. (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, including compliance with the BSA. At a minimum the plan shall establish objectives for the Bank's earnings performance, growth, balance sheet mix, liability structure, capital adequacy, reduction of nonperforming and underperforming assets and BSA compliance, together with strategies for achieving those objectives. The plan shall also identify capital, funding, managerial, adequate staffing, 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 approval shall be recorded in the Board meeting minutes for the meeting at which the business/strategic plan was approved.

#### BUDGET

12. (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 December 31, 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. By November 30, 2011, the Bank shall formulate such a plan and budget for the calendar year ending December 31, 2012, and submit the plan and budget to the Supervisory Authorities for review and comment by December 15, 2011. 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 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

13. (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) 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

14. While this ORDER is in effect, 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

15. (a) While this ORDER is in effect, the Bank shall not declare or pay dividends or bonuses without the prior written approval of the Supervisory Authorities. All requests for prior approval shall be received at least thirty (30) days prior to the proposed dividend or bonus payment declaration date (or at least five (5) days with respect to any request filed within the first thirty (30) days from the date of this ORDER) and shall contain, but not be limited to, an analysis demonstrating that the proposed payment meets the criteria set forth in Section 658.37, Florida Statutes, and detailing the impact such payment would have on the Bank's capital position, cash flow, concentrations of credit, asset quality and ALLL needs. The Supervisory Authorities will not approve any payment representing a reduction of capital unless the Supervisory Authorities determine that such payment will not have an adverse or unacceptable impact on the Bank's capital position, cash flow, concentrations of credit, asset quality and ALLL needs.

(b) During the term of this ORDER, the Bank shall not make any distributions of interest, principal, or other sums on subordinated debentures, if any, without the prior written approval of the Supervisory Authorities.

#### BSA COMPLIANCE PLAN

16. (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 BSA Rules. The Compliance Plan shall be in a form and manner acceptable to the Supervisory Authorities at the initial review and at subsequent examinations and/or visitations. The Bank shall submit the Compliance Plan to the Supervisory Authorities for review and comment. Within 30 days from the Supervisory Authorities’ response, the Compliance 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 Compliance Plan. At a minimum, the Compliance Plan shall require the review, enhancement, or restatement, as appropriate, of the Bank’s policies, procedures, and controls as follows:

- (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 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.

The Bank shall assess and update its forms for conducting review of high-risk accounts. The Bank shall perform sufficient due diligence prior to opening new accounts that provides for collecting customers' identifying information, verifying customers' identification, maintaining identification records, and documenting and evaluating the BSA risk profile. The Compliance Plan shall establish 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;

(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 . The Compliance Plan shall provide for comprehensive monitoring of high-risk accounts, with full utilization of account monitoring software;

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

- (v) policies for the review of financial information and verifications of the source of funds and wealth of high-risk customers and transactions, including cross-border transactions;
- (vi) policies for documentation of bearer share accounts including an annual certification of beneficial ownership;
- (vii) policies for the reputational review of politically exposed persons at least annually;
- (viii) policies regarding trending reviews and the escalation procedures concerning customers with multiple suspicious activity report (“SAR”) filings or protracted periods of suspicious activity that include a formal written account closing policy. The Compliance Plan shall provide for adequate systems for account aggregation to ensure sufficient data to determine whether SARs and Currency Transaction Reports (“CTRs”) should be filed;
- (ix) 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;
- (x) the Compliance Plan shall include a formal evaluation of the knowledge, capabilities, performance, and the sufficiency of the Bank’s BSA staff for identifying transactions that pose greater than normal risk for compliance with BSA, taking into account the findings of the Report, and factoring in the BSA staff performance, experience, and qualifications compared to their position

descriptions, duties, and responsibilities. The evaluation shall be approved by the Board;

(xi) methods of enforcing the Bank's BSA, AML ("Anti-Money Laundering"), and OFAC policies, procedures, and practices with consequences specified for noncompliance;

(xii) independent annual testing for compliance with the BSA Rules in accordance with the procedures described in 12 C.F.R. § 326.8; and

(xiii) implementation of a comprehensive training program for all appropriate operational and supervisory personnel to ensure their awareness of their responsibility for compliance with the requirements of the BSA, including the reporting requirements associated with SARs, pursuant to Part 353, regardless of the size of the relationship or type of customer involved. This program shall include procedures for handling National Security Letters.

(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.

#### CUSTOMER IDENTIFICATION PROGRAM

17. Within 30 days from the effective date of this ORDER, the Bank shall review, enhance, or restate and implement its written CIP as required by 31 C.F.R. § 103.121 (now 31 C.F.R. § 1020.220(a)), 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 CIP shall be in a form and manner acceptable to the Supervisory Authorities at the initial review and at subsequent examinations and/or visitations. Upon receipt of the Supervisory

Authorities' comments, if any, the Board shall review and approve the CIP. After the Board has approved any enhancements or restatements to the CIP, the review and approval shall be recorded in the minutes of the Board. Thereafter, the Bank shall implement the CIP.

### RISK ASSESSMENT

18. Within 30 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 the Bank's BSA/AML risk profile, products, services, types of customers, and geographic locations, with analysis of the major risk categories. The Board shall update its risk assessment annually and such assessment shall be acceptable to the Supervisory Authorities.

### SAR AND CTR PROCEDURES

19. (a) Within 30 days from the effective date of this ORDER, the Bank shall review, enhance or restate and implement monitoring and reporting procedures for SARs and 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. These procedures shall ensure the timely filing of SARs and CTRs.

(b) Within 30 days from 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 January 1, 2010, to the effective date of this ORDER 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 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, and ensure the closing of accounts pursuant the Bank's formal written account closing policy. 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 and any other actions taken on the account to the Supervisory Authorities.

#### DUE DILIGENCE PROGRAM

20. Within 30 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) adequate policies, procedures, and documentation concerning the clearing of alerts and the determination of whether to file a SAR or not file a SAR;
  - (ii) time limits for determining if exceptions require a SAR; and

- (iii) identification of customers requiring site visitations, the frequency of visitations, and documentation of those visitations.
- (b) EDD shall include the following procedures:
  - (i) annual determination of the appropriate documentation necessary to confirm the identity and business activity of the customer;
  - (ii) understanding of the normal and expected transactions of the customer;
  - (iii) 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 Part 353; and
  - (iv) the automatic review of accounts or customers for which the Bank has received criminal subpoenas that may involve BSA.

#### VIOLATIONS OF LAW AND/OR REGULATION

21. Within 60 days from the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of laws, rules, and regulations noted in the Report and shall adopt and implement appropriate procedures to provide for future compliance with all such applicable laws and regulations.

#### TRAINING

22. Within 60 days from the effective date of this ORDER, the Bank shall review, enhance or restate and implement a comprehensive training program that shall have a general component for all directors and staff with 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. The comprehensive training program shall be approved by the Board and forwarded to the Supervisory Authorities with the progress report required by this ORDER that is next due following the Board's approval.

#### BSA STAFF

23. (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, executive officers, department heads, supervisors, loan officers, loan operations staff, tellers, bookkeepers, couriers, proof operators, information technology staff, and wire-transfer staff. This assessment shall identify the number and type of positions for the Bank's BSA Department and shall identify the appropriate experience and qualifications of staff members. The Board shall evaluate this assessment annually and recommend any further adjustments.

(b) 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 BSA 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 Directors' Committee established by the Board pursuant to paragraph 1 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 Board and the Directors' Committee regarding the Bank's adherence to the Compliance Plan and this ORDER.

### PROGRESS REPORTS

24. By August 15, 2011, and within 45 days from the end of each calendar 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 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

25. 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 or (ii) in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe the ORDER in all material respects. The description and any accompanying communication, statement, or notice

shall be sent to the FDIC, Division of Risk Management Supervision, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Room MB-5073, Washington, D.C. 20429 and to the Director of the OFR, 200 East Gaines Street, Tallahassee, FL 32399 to review at least twenty (20) days prior to dissemination to shareholders. Any changes requested to be made by the FDIC and the OFR shall be made prior to dissemination of the description, communication, notice, or statement.

#### OTHER ACTIONS

26. This ORDER shall not bar, estop, or otherwise prevent the FDIC, the OFR, or any other federal or state agency or department from taking any action, including for matters related to this ORDER against the Bank, the Bank's current or former institution-affiliated parties, and/or any of their respective directors, officers, employees, and agents, including, but not limited to, the imposition of civil money penalties.

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.

Issued Pursuant to Delegated Authority

Dated: This 6th day of May, 2011.

By:

/s/

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Thomas J. Dujenski  
Regional Director  
Division of Risk Management Supervision  
Federal Deposit Insurance Corporation

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, including specifically Sections 655.033 and 655.041, Florida Statutes.

Dated this 2nd day of May, 2011.

/s/

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