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[¶11,841] **In the Matter of First State Bank, Parkin, Arkansas**, Docket No. 01-144b (10-10-01).

(This order was terminated by order of the FDIC dated 11-3-03; see ¶16,360.)

A cease and desist order was issued, based on findings by the FDIC that it had reason to believe that respondent had engaged in unsafe and unsound practices.

[.1] **Management—Qualifications Specified**

[.2] **Capital—Maintain Tier 1 Capital**

[.3] **Loan Loss Reserve—Establishment of or Increase Required**

[.4] **Profit Plan—Preparation of Plan Required**

[.5] **Bank Operations—Conflict of Interest Policy Regarding Insiders Required**

[.6] **Assets—Charge-off or Collection**

[.7] **Loans—Extensions of Credit—To Borrowers with Existing Adversely Classified Credits**

[.8] **Loan Policy—Preparation or Revision of Policy Required**

[.9] **Board of Directors—Internal Review and Grading System Required**

[.10] **Violations of Law—Correction of Violations Required**

[.11] **Funds Management and Liquidity—Preparation or Revision of Funds Management Policy Required**

[.12] **Bank Operations—Internal Routine and Control Procedures—Written Plan Required**

[.13] **Reports of Condition and Income—Amendment Required**

[.14] **Assets—Special Mention—Eliminate Deficiencies**

[.15] **Dividends—Dividends Restricted**

[.16] **Shareholders—Disclosure of Cease and Desist Order Required**

**In the Matter of
FIRST STATE BANK
PARKIN, ARKANSAS
(Insured State Nonmember Bank)
ORDER TO CEASE AND DESIST**

FDIC-01-144b

First State Bank, Parkin, Arkansas, ("Bank"), having been advised of its right to a Notice of Charges and of Hearing detailing the unsafe or unsound banking practices and violations of law and/or regulations alleged to have been committed by the Bank and of its right to a hearing on the alleged charges under section 8(b)(1) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. §1818(b)(1), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("CONSENT AGREEMENT") with counsel for the Federal Deposit Insurance Corporation

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("FDIC"), dated October 9, 2001, whereby solely for the purpose of this proceeding and without

admitting or denying the alleged charges of unsafe or unsound banking practices, and violations of law and/or regulations, the Bank consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC.

The FDIC considered the matter and determined that it had reason to believe that the Bank had engaged in unsafe or unsound banking practices and had committed violations of law and/or regulations. The FDIC, therefore, accepted the CONSENT AGREEMENT and issued the following:

ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED that the Bank, its directors, officers, employees, agents, and other institution-affiliated parties (as that term is defined in Section 3(u) of the Act, 12 U.S.C. §1813(u)), and its successors and assigns cease and desist from the following unsafe or unsound banking practices and violations:

- (a) engaging in hazardous lending and lax collection practices;
- (b) operating with inadequate capital in relation to the kind and quality of assets held by the Bank;
- (c) operating with a large volume of poor quality loans;
- (d) operating with an inadequate loan valuation reserve;
- (e) operating with inadequate internal routine and control policies;
- (f) operating in such a manner as to produce operating losses;
- (g) operating in such a manner as to produce low earnings;
- (h) operating in violation of section 39 of the FDI Act, 12 U.S.C. §1831p-1; sections 323.3(a) and (b) of FDIC Rules and Regulations, 12 C.F.R. §§ 323.3(a) and (b); sections 215.5(c)(4) and 215.4 of Regulation O of the Board of Governors of the Federal Reserve System, 12 C.F.R. §§ 215.5(c) and 215.4, made applicable to state nonmember banks by section 18(j)(2) of the Act, 12 U.S.C. §1828(j)(2); section 326.8(b) of the FDIC Rules and Regulations, 12 C.F.R. §326.8(b); sections 103.28 and 103.29 of United States Treasury Department Rules and Regulations, 31 C.F.R. §§ 103.28 and 103.29; and section 23-47-203(c)(2) of the Arkansas Banking Code, A.C.A. 23-47-203(c)(2);
- (i) operating with management whose policies and practices are detrimental to the Bank and jeopardize the safety of its deposits; and
- (j) operating with a board of directors which has failed to provide adequate supervision over and direction to the active management of the Bank.

IT IS FURTHER ORDERED that the Bank, its institution-affiliated parties, and its successors and assigns, take affirmative action as follows:

[.1] 1. (a) During the life of this ORDER, the Bank shall have management qualified to restore the Bank to a sound condition. Such management shall include a chief executive officer and an experienced senior lending officer responsible for supervising the Bank's overall lending function.

(b) Management shall be assessed on its ability to:

- (i) Comply with the requirements of this ORDER;
- (ii) Improve and thereafter maintain the Bank in a safe and sound condition, including asset quality, capital adequacy, liquidity adequacy, earnings adequacy, and sensitivity to market risks; and
- (iii) Comply with all applicable State and Federal laws and regulations.

(c) (i) During the life of this ORDER, the Bank shall notify the Regional Director of the Memphis Regional Office ("Regional Director") and the Commissioner of the State Banking Department for the

State of Arkansas ("Commissioner") in writing of any resignations and/or terminations of any members of its board of directors and/or any of its senior executive officer(s) within 15 days after the event.

(ii) The Bank shall comply with section 32 of the Act, 12 U.S.C. §1831i.

(d) (i) To ensure both compliance with this ORDER and qualified management for the Bank, the board of directors, within 60 days from the effective date of this ORDER shall develop a written policy ("Management Policy") which shall incorporate an analysis of the Bank's management and staffing requirements and shall, at a minimum address (1) both the number and type of positions needed to properly manage the Bank, (2) a clear and concise description of the needed experience and pay for each job,

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(3) an evaluation of present management, (4) a plan to recruit, hire or replace personnel with requisite ability and experience, (5) a periodic evaluation of each individual's job performance, and (6) the establishment and implementation of procedures to periodically review and update the Management Policy.

(ii) The Management Policy and any subsequent modification thereto shall be submitted to the Regional Director and the Commissioner for review and comment. Within 30 days from receipt of any comment, and after consideration of such comment, the board of directors shall approve the Management Policy, which approval shall be recorded in the minutes of the meeting of the board of directors. Thereafter, the Bank and its directors, officers and employees shall implement and follow the Management Policy and any modifications thereto.

(iii) During the life of this ORDER, the Bank shall continue to participate in the Arkansas State Banking Department's monthly Self-Examination Program and shall certify that all information submitted is true and correct.

(e) Within 30 days from the effective date of this ORDER, the board of directors shall establish a committee of the board of directors with the responsibility to ensure that the Bank complies with the provisions of this ORDER. At least two-thirds of the members of such committee shall be independent, outside directors as defined herein. The committee shall report monthly to the entire board of directors, and a copy of the report and any discussion relating to the report or the ORDER shall be included in the minutes of the board of directors. Nothing contained herein shall diminish the responsibility of the entire board of directors to ensure compliance with the provisions of this ORDER.

(f) For the purpose of this ORDER, an "outside director" shall be an individual:

(i) Who shall not be employed, in any capacity, by the Bank or its affiliates other than as a director of the Bank or an affiliate;

(ii) Who shall not own or control more than 5 percent of the voting stock of the Bank or its holding company;

(iii) Who shall not be indebted to the Bank or any of its affiliates in an amount greater than 5 percent of the Bank's equity capital and reserves;

(iv) Who shall not be related to any directors, principal shareholders of the Bank or affiliates of the Bank; and

(v) Who shall be a resident of, or engage in business in, the Bank's trade area.

[.2]2. (a) No later than December 31, 2001, the Bank shall have Tier I capital equal to or greater than eight percent (8%) of the Bank's adjusted Part 325 total assets. Thereafter, during the life of this ORDER, the Bank shall maintain Tier I capital equal to or greater than eight percent (8%) of the Bank's adjusted Part 325 total assets.

(b) Any increase in Tier I capital necessary to meet the requirements of Paragraph 2(a) of this ORDER may be accomplished by the following:

(i) The sale of new securities in the form of common stock or non-cumulative perpetual preferred stock; or

(ii) The direct contribution of cash by the directors, shareholders, or parent Bank holding company of the Bank; or

(iii) Any other method acceptable to the FDIC.

(c) If all or part of the increase in Tier I capital required by Paragraph 2(a) of this ORDER is accomplished by the sale of new securities, the board of directors of the Bank shall adopt and 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 the Federal securities laws. Prior to the implementation of the plan and, in any event, not less than 20 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, Division of Supervision, Registration, Disclosure, & Securities Unit Section, 550 17th Street, N.W., Room F-6043, Washington, D.C. 20429 for review. Any changes requested to be made [{{12-31-01 p.C-5218}}](#)

in the plan or materials by the FDIC shall be made prior to their dissemination. If the Regional Director allows any part of the increase in Tier I capital to be provided by the sale of non-cumulative perpetual preferred stock, then all terms and conditions of the issue, including but not limited to, those terms and conditions relative to the interest rate and any convertibility factor, shall be presented to the Regional Director for prior approval.

(d) In complying with the provisions of Paragraph 2 of this ORDER, the Bank shall provide to any subscriber and/or purchaser of the Bank's securities written notice of any planned or existing development or other changes which are materially different from the information reflected in any offering materials used in connection with the sale of Bank 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.

(e) For purposes of this ORDER the terms "Tier I capital", "total Capital" and "Part 325 total assets" shall have the meanings ascribed to them in Part 325 of the FDIC's Rules and Regulations, respectively, subsections 325.2(t) and 325.2(v), 12 C.F.R. 325.2(t) and (v).

(f) The Bank shall not lend funds directly or indirectly, whether secured or unsecured, to any purchaser of Bank stock or to any investor by any other means for any portion of any increase in Tier I capital required herein.

[.3]3. (a) Within 10 days from the effective date of this Order, the Bank shall establish and shall thereafter maintain, through charges to current operating income, an adequate valuation reserve for loan and lease losses. In determining the adequacy of the valuation reserve for loan and lease losses, the board of directors of the Bank shall at a minimum consider the following:

(i) Prevailing instructions contained in the Federal Financial Institutions Examination Council booklet entitled "Instructions-Consolidated Reports of Condition and Income";

(ii) The volume and mix of the existing loan portfolio, including the volume and severity of nonperforming loans and adversely classified credits, as well as an analysis of net charge-offs experienced on previously adversely classified loans;

(iii) The extent to which loan renewals and extensions are used to maintain loans on a current basis and the degree of risk associated with such loans;

(iv) The trend in loan growth, including any rapid increase in loan volume within a relatively short time period;

(v) General and local economic conditions affecting the collectibility of the Bank's loans;

(vi) Previous loan loss experience by loan type, including the trend of net charge-offs as a

percent of average loans over the past several years;

(vii) Off balance sheet credit risks;

(viii) The overall risk associated with each concentration of credit together with the degree of risk associated with each related individual borrower; and

(ix) Any other factors appropriate in determining future valuation reserves.

(b) Prior to the submission of any Report of Condition or Report of Income, the board of directors of the Bank shall review the adequacy of the Bank's valuation reserve for loan and lease losses. The minutes of the board meetings at which each review is undertaken shall indicate the results of the review, the amount of any increase to the reserve, and the basis for the amount of the valuation reserve. The criteria for the review shall be as set forth in Paragraph 3(a).

(c) Notwithstanding the provisions of Paragraph 3(a) and 3(b) above, the Bank shall achieve, within 10 days of the effective date of this ORDER, a valuation reserve for loan and lease losses, after charge off of loans classified "Loss" as required in Paragraph 6(a) below, of not less than \$722,000, and shall thereafter maintain, through charges to current operating income, an adequate valuation reserve for loan and lease losses.

(d) In the event that the Regional Director and/or the Commissioner determine, at subsequent examinations and/or visitations, that the Bank's valuation reserve for loan and lease losses is inadequate, the Bank shall amend its Consolidated Reports of Condition and Income in accordance with Paragraph 13.

(e) The requirements of Paragraph 3(c) above are not to be construed as a standard for future operations.

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[.4]4. (a) No later than January 1, 2002, and within the first 30 days of each calendar year thereafter, the board of directors shall develop a written profit plan consisting of goals and strategies for improving the earnings of the Bank for each calendar year. The written profit plan shall include, at a minimum:

(i) Identification of the major areas in, and means by, which the board of directors will seek to improve the Bank's operating performance;

(ii) Realistic and comprehensive budgets;

(iii) A budget review process to monitor the income and expenses of the Bank to compare actual figures with budgetary projections on not less than a quarterly basis; and

(iv) A description of the operating assumptions that form the basis for, and adequately support, major projected income and expense components.

(b) Such written profit plan and any subsequent modification thereto shall be submitted to the Regional Director and the Commissioner for review and comment. No more than 30 days after the receipt of any comment from the Regional Director and/or the Commissioner, the board of directors shall approve the written profit plan which approval shall be recorded in the minutes of the board of directors. Thereafter, the Bank, its directors, officers, and employees shall follow the written profit plan and/or any subsequent modification.

(c) In addition to its written profit plan, the Bank shall prepare a two-year strategic plan, taking into consideration such factors as competition, legislation, technology, changing markets, and other relevant factors that may affect the future operations of the Bank. The strategic plan shall include long-range goals, steps for achieving those goals, procedures for monitoring performance, and methods for periodic revisions, if necessary. The strategic plan and any subsequent revisions thereto shall be submitted to the Regional Director and the Commissioner for review and comment. The board of directors shall review the Bank's performance vis-a-vis the strategic plan no less than quarterly. The results of the review shall be made a part of the minutes of the board of directors meetings.

[.5]5. No later than December 31, 2001, the Bank shall develop, adopt, and implement written policies and procedures designed to bring to the attention of each member of the board conflicts of interest which

may exist in approving loans or other transactions in which officers, directors, or principal stockholders 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 and has acted specifically on any loan or other transaction in which Insiders and/or their business associates are, directly or indirectly, involved. The results of board deliberations as to potential conflicts shall be reflected in the minutes of the meeting.

[.6]6. (a) Within 10 days from the effective date of this ORDER, the Bank shall eliminate from its books, by charge-off or collection, all assets classified "Loss" as of May 31, 2001, totaling \$566,000, that have not been previously collected or charged-off. Reduction of these assets through proceeds of other loans made by the Bank is not considered collection for the purpose of this paragraph.

(b) Within 90 days from the effective date of this ORDER, the Bank shall have reduced all adversely classified items, totaling \$3,941,000 as of May 31, 2001, to not more than \$2,880,000.

(c) Within 180 days from the effective date of this ORDER, the Bank shall have reduced all adversely classified items as of May 31, 2001, to not more than \$2,483,000.

(d) Within 270 days from the effective date of this ORDER, the Bank shall have reduced all adversely classified items as of May 31, 2001, to not more than \$1,986,000.

(e) Within 360 days from the effective date of this ORDER, the Bank shall have reduced all adversely classified items as of May 31, 2001, to not more than \$1,490,000.

(f) The requirements of Paragraphs 4(a), 4(b), 4(c), 4(d), and 4(e) are not to be construed as standards for future operations. As used in Paragraphs 4(b), 4(c), 4(d), 4(e), and 4(f) the word "reduce" means (i) to collect, (ii) to charge-off, or (iii) to sufficiently improve the quality of assets adversely classified to warrant removing any adverse classification, as determined by the FDIC.

[.7]7. (a) Beginning with the effective date of this ORDER, the Bank shall not make
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any further extension of credit to any borrower whose loans are charged off, in whole or in part, or are adversely classified "Loss" or "Doubtful" as of May 31, 2001, and remain uncollected.

(b) Beginning with the effective date of this ORDER, the Bank shall not make any further extension of credit to any borrower thereof whose loans in the aggregate exceed \$75,000 and are adversely classified "Substandard" as of May 31, 2001, unless such extension has been approved by a majority of the Bank's board of directors in advance and the Bank's board of directors has detailed in the written minutes of the meeting how it has affirmatively determined all of the following: (i) that the extension of credit is in full compliance with the Bank's loan policy; (ii) that it is necessary to protect the Bank's interest or that the extension of credit is adequately secured; (iii) that based upon credit analysis the customer is deemed to be creditworthy; and (iv) that all necessary loan documentation is on file, including current financial and cash flow information and satisfactory appraisal, title, and lien documents. The minutes shall also include the following information about the extension of credit: (i) The amount adversely classified as of May 31, 2001; (ii) the current balance; (iii) the amount of credit requested; (iv) a description of the collateral and its value securing the credit; and (v) a full description of the documentation presented to the board of directors including the date of the borrower's most recent financial information and the borrower's current income or cash flow data.

(c) Beginning with the effective date of this ORDER, the Bank shall not renew any loan without the full collection of interest due. The issuance of separate notes to the borrowing customer or a third party, the proceeds of which pay interest due, shall not satisfy the requirements of this paragraph unless these separate notes receive prior board approval in the same manner as outlined in Paragraph 7(b).

(d) The bank shall establish written plans of action for each borrower whose adversely classified loan(s) are equal to or greater than \$75,000. The written plans shall be updated monthly, presented to the Bank's board of directors monthly, and shall be made a part of the minutes of the board of directors meetings.

[.8]8. (a) No later than December 31, 2001, the Bank shall review its written loan policy and make whatever changes may be necessary to provide for the safe and sound administration of all aspects of the lending function. Proper and adequate loan documentation or evidence thereof as is required by sound banking practices before disbursement of the loan proceeds to borrowers or before renewal or

extensions of existing loans shall be part of the review. Such policy shall provide for identification of primary and secondary sources of repayment, the establishment of and adherence to realistic amortization programs, and proper and adequate loan documentation or evidence thereof as is required by sound banking practices before disbursement of the loan proceeds to borrowers or before renewal or extensions of existing loans. Evidence of the review and establishment of procedures to ensure compliance with the loan policy shall be reduced to writing. The policy and its implementation shall be in a form and manner acceptable to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations.

(b) Beginning with the effective date of this ORDER, the Bank shall review and strengthen its collection policies and procedures and adopt and implement a written loan interest nonaccrual policy which conforms with requirements contained in Instructions for Preparation of Reports of Condition and Income published by the Federal Financial Institutions Examination Council.

(c) Beginning with the effective date of this ORDER, the Bank shall initiate and implement a program to strengthen its credit files and correct the technical exceptions as detailed in the "Loans Not Supported By Proper Documentation" section of the May 31, 2001, Report of Examination. Within 60 days from the effective date of this ORDER, the Bank shall eliminate 40 percent of the technical exceptions cited in the May 31, 2001, Report of Examination. Within 120 days from the effective date of this ORDER, the Bank shall eliminate 90 percent of the technical exceptions cited in the May 31, 2001, Report of Examination. In all future operations, the Bank shall ascertain that all documents or evidence thereof, properly completed, are obtained before credit is extended.

[.9]9. (a) Within 30 days of the effective date of this ORDER, the board shall establish an internal loan review and grading system
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("System") to periodically review the Bank's loan portfolio and identify and categorize problem credits. At a minimum the System shall provide for:

- (i) The identification of the overall quality of the loan portfolio;
- (ii) The identification and amount of each delinquent loan;
- (iii) An identification or grouping of loans that warrant the special attention of management;
- (iv) For each loan identified, a statement of the amount and an indication of the degree of risk that the loan will not be fully repaid according to its terms and the reason(s) why the particular loan merits special attention;
- (v) An identification of credit and collateral documentation exceptions;
- (vi) The identification and status of each violation of law, rule, or regulation;
- (vii) An identification of loans not in conformance with the Bank's lending policy, and exceptions to the Bank's lending policy;
- (viii) An identification of insider loan transactions; and
- (ix) A mechanism for reporting periodically, no less than quarterly, to the board of directors on the status of each loan identified and the action(s) taken by management.

(b) A copy of the reports submitted to the board, as well as documentation of the action taken by the Bank to collect or strengthen assets identified as problem credits, shall be kept with the minutes of the board of directors.

(c) Within 60 days from the effective date of this ORDER the Bank's board of directors shall establish and appoint a loan committee to review and approve in advance all extensions of credit and/or renewals that when aggregated with all other extensions of credit to that borrower, either directly or indirectly, exceed or would exceed \$50,000. The review should include financial, income, and cash flow information, collateral values and lien information, repayment terms, past performance by the borrower, the purpose of the extension, and whether the extension complies with the Bank's loan policy and applicable laws, rules, and regulations. The loan committee shall meet at least twice monthly and shall

maintain written minutes which detail the information reviewed by the loan committee, its conclusions, approvals, denials, recommendations, and reasons for the approval of any credit which does not fully comply with the review requirements set forth in this paragraph. At least monthly, the loan committee shall submit its written minutes to the board of directors. At least two-thirds of the members of the loan committee shall be independent, outside directors as defined in Paragraph 1(f) of this ORDER.

[.10]10. Within 60 days from the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of law which are set out on the Violations of Law and Regulations pages of the May 31, 2001, Report of Examination. In addition, the Bank shall henceforth comply with all applicable laws and regulations.

[.11]11. Within 60 days from the effective date of this ORDER, the Bank shall formulate and adopt a written liquidity and funds management policy. Such policy shall include the establishment of acceptable ranges of ratios in the following areas: volatile liability dependence, total loans to total deposits, and temporary investments to volatile liabilities. In addition, the liquidity policy shall incorporate a funds management program which designates acceptable levels for: volatile liabilities, including borrowings; asset mix, including temporary funds and investments, long-term investment securities and classes of obligors, and loans to deposits; and rate-sensitive assets as a percent of rate-sensitive liabilities. The written liquidity and funds management policy shall be submitted to the Regional Director and the Commissioner for review and comment.

[.12]12. Within 90 days from the effective date of this ORDER, the Bank shall adopt and implement a written policy for the operation of the Bank in such a manner as to provide internal routine and controls consistent with safe and sound banking practices. Such policy and its implementation shall be satisfactory to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations.

[.13]13. (a) Within 30 days from the effective date of this ORDER, the Bank shall review all Consolidated Reports of Condition and Income filed with the FDIC on and after May 31, 2001, and shall amend and file

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with the FDIC amended Consolidated Reports of Condition and Income which accurately reflect the financial condition of the Bank as of the date of each such Report.

(b) In addition to the above and during the life of this ORDER, the Bank shall file with the FDIC Consolidated Reports of Condition and Income which accurately reflect the financial condition of the Bank as of the reporting period. In particular such Reports shall include any adjustment in the Bank's books made necessary or appropriate as a consequence of any State or FDIC examination of the Bank during that reporting period.

[.14]14. Within 90 days of the effective date of this ORDER, the Bank shall sufficiently reduce or otherwise improve assets subject to Special Mention as of May 31, 2001, to warrant removal from the Special Mention category. Any action taken shall be reduced to writing and made a part of the minutes of the board of directors meetings.

[.15]15. While this ORDER is in effect, the Bank shall not declare or pay any cash dividends on its capital stock or pay any fees, including director's fees, or bonuses, at any level, without the prior written approval of the Regional Director and the Commissioner.

[.16]16. Following the effective date of this ORDER, the Bank shall send to its shareholders or otherwise furnish a description of this ORDER, (i) in conjunction with the Bank's next shareholder communication, and also (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 Supervision, Registration, Disclosure, & Securities Unit, 550 17th Street, N.W., Room F-6043, Washington, D.C. 20429 for review at least 20 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.

17. On the fifteenth day of the second month following the effective date of this ORDER, and on the fifteenth day of every third month thereafter, the Bank shall furnish written progress reports to the

Regional Director and the Commissioner detailing the form and manner of any actions taken to secure compliance with this ORDER and the results thereof. Such reports may be discontinued when the corrections required by this ORDER have been accomplished and the Regional Director and the Commissioner have released the Bank in writing from making further reports.

The provisions of this ORDER shall be binding upon the Bank, its directors, officers, employees, agents, successors, assigns, and other institution-affiliated parties of the Bank.

This ORDER shall become effective 10 days from the date of its issuance.

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

Pursuant to delegated authority.

Dated: October 10, 2001.