

and the WDFI.

The FDIC and the WDFI considered the matter and determined to accept the STIPULATION.

Having also determined that the requirements for issuance of order under 12 U.S.C. § 1818(b) and section 220.04 (9) of the Wisconsin Statutes have been satisfied, the FDIC and WDFI HEREBY ORDER that the Bank, its institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and its successors and assigns, take affirmative action as follows:

MANAGEMENT

1. (a) During the life of this ORDER, the Bank shall have and retain qualified management. Management shall be provided the necessary written authority to implement the provisions of this ORDER. 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, rules, and regulations; and
- (iv) Restore all aspects of the Bank to a safe and sound condition, including capital adequacy, asset quality, management effectiveness, earnings, liquidity, and sensitivity to interest rate risk.

(b) During the life of this ORDER, prior to the addition of any individual to the board of directors or the employment of any individual as a senior executive officer, the Bank shall request and obtain written approval of the Regional Director of the FDIC Chicago Regional Office (“Regional Director”) and the Administrator of the WDFI (“Administrator”).

For purposes of this ORDER, “senior executive officer” is defined as in section 32 of the Act (“section 32”), 12 U.S.C. § 1831(i), and section 303.101(b) of the FDIC Rules and Regulations, 12 C.F.R. § 303.101(b).

(c) Within 60 days from the effective date of the ORDER, the board of directors shall develop a written analysis and assessment of the Bank’s management and staffing needs (“Management Analysis”) for the purpose of providing qualified management for the Bank. The Management Analysis shall identify both the type and number of officer and staff positions needed to properly manage and supervise the affairs of the Bank and a plan detailing specific timeframes for recruiting and hiring any additional or replacement personnel with the requisite ability, experience, and other qualifications to fill those officer or staff member positions identified by this paragraph of the ORDER. A copy of the Management Analysis shall be submitted to the Regional Director and the Administrator.

BOARD PARTICIPATION

2. (a) As of the effective date of this ORDER, the board of directors 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, interest-only, restructured, charged off, and recovered loans; concentrations of credit; liquidity monitoring reports; investment activity; adoption or modification of operating policies; individual committee reports; audit reports; and compliance with this ORDER. Board 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 Bank's board of directors shall have in place a program that will provide for monitoring of the Bank's compliance with this ORDER.

CAPITAL

3. (a) During the life of this ORDER, the Bank shall have and maintain its level of Tier 1 capital as a percentage of its total assets ("capital ratio") at a minimum of nine percent ("9.0%") and its level of qualifying total capital as a percentage of risk-weighted assets ("total risk based capital ratio") at a minimum of twelve percent ("12.0 %"). For purposes of this ORDER, Tier 1 capital, qualifying total capital, total assets, and risk-weighted assets shall be calculated in accordance with Part 325 of the FDIC Rules and Regulations ("Part 325"), 12 C.F.R. Part 325.

(b) The minimum capital ratios required by this paragraph shall not negate the responsibility of the Bank and its board of directors for maintaining throughout the year an adequate level of capital protection for the kind, quality and degree of market depreciation of assets held by the Bank. In addition, within 30 days from the effective date of this ORDER, the Board shall develop and submit to the Regional Director and the Administrator a capital plan to ensure compliance with Paragraph 3(a). The capital plan shall 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 paragraph;
- (iii) implement or adhere to a capital plan to which the Regional Director and the Administrator have taken no written objection

pursuant to this paragraph. Said contingency plan shall include a plan to sell or merge the Bank or provide for a capital investment into the bank. The Bank shall implement the contingency plan upon written notice from the Regional Director and the Administrator.

RESTRICTION OF GROWTH

4. During the life of this ORDER, the Bank shall not increase its total assets by more than three percent (“3.0%”) during any consecutive three-month period without providing, at least 30 days prior notice to its implementation, a growth plan to the Regional Director and the Division. Such growth plan, at a minimum, shall include the funding source to support the projected growth, as well as the anticipated use of funds. This growth plan shall not be implemented without the prior written consent of the Regional Director and the Division. For the purpose of this paragraph, “total assets” shall be defined as in the Federal Financial Institutions Examination Council’s Instructions for the Consolidated Reports of Condition and Income.

DIVIDEND RESTRICTION

5. As of the effective date of this ORDER, the Bank shall not declare or pay any dividend without the prior written consent of the Regional Director and Administrator.

PROHIBITION OF ADDITIONAL LOANS TO CLASSIFIED BORROWERS

6. (a) As of 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 is already obligated in any manner to the Bank on any extensions of credit (including any portion thereof) that has been charged off the books of the Bank, so long as such credit remains uncollected.

(b) As of 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 whose loan or other credit has been classified “Substandard” in the ROE, and is uncollected unless the Bank’s board of directors has adopted, prior to such extension of credit, a detailed written statement giving the reasons why such extension of credit is in the best interest of the Bank. A copy of the statement shall be signed by each Director, and incorporated in the minutes of the applicable board of directors’ meeting. A copy of the statement shall be placed in the appropriate loan file.

REDUCTION OF PROBLEM ASSETS

7. (a) Within 60 days from the effective date of this ORDER, the Bank shall adopt, implement, and adhere to, a written plan to reduce the Bank’s risk position in each asset in excess of \$200,000 which is classified “Substandard” in the ROE. The plan shall include, but not be limited to, provisions which:

- (i) Prohibit an extension of credit for the payment of interest, unless the Bank’s board of directors provides, in writing, a detailed explanation of why the extension is in the best interest of the Bank;
- (ii) Provide for review of the current financial condition of each delinquent or classified borrower, including a review of borrower cash flow and collateral value;
- (iii) Delineate areas of responsibility for loan officers; and
- (iv) Provide for the submission of monthly written progress reports to the Bank’s board of directors for review and notation in minutes of the meetings of the board of directors.

(b) As used in this paragraph, “reduce” means to: (1) collect; (2) charge off; (3) sell; or (4) improve the quality of such assets so as to warrant removal of any adverse

classification by the FDIC and the WDFI.

(c) A copy of the plan required by this paragraph shall be submitted to the Regional Director and Administrator.

(d) While this ORDER remains in effect, the plan shall be revised to include assets which become more than 90 days delinquent after the effective date of this ORDER or are adversely classified at any subsequent examinations or visitations.

SPECIAL MENTION

8. Within 60 days after the effective date of this ORDER, the Bank shall correct all deficiencies in the loans listed for Special Mention in the ROE.

LOAN GRADING AND REVIEW REQUIREMENTS

9. (a) The directors loan committee (“Directors Loan Committee”) of the Bank’s board of directors shall develop, adopt and implement policies and procedures which; include a tracking mechanism detailing corrective measures taken; enhance the loan grading matrix to increase the accuracy of future loan grade assignments; and improve the Bank’s lending policies, credit presentations, documentation standards, and credit underwriting and administration procedures.

(b) The Directors Loan Committee shall review the Bank’s loan portfolio at least monthly. The Directors Loan Review Committee shall file a report with the Bank’s board of directors at each board meeting detailing the results of its review. At a minimum the report shall include:

- (i) Confirmation of the accuracy of credit presentations including, but not limited to, financial information presented, debt service and collateral coverage estimates (including the

appropriateness of any discounts applied), borrower liquid asset and stated net worth estimates, as well as the final internal risk rating assigned and well as associated risk rating rationale;

- (ii) Confirmation of the accuracy and completeness of the watch list and all risk grades assigned by the Bank's loan officers;
- (iii) The identification of loans or relationships, including loans to officers, directors, principal shareholders or their related interests, that warrant special attention of management and the Bank's board of directors;
- (iv) The identification of all loans not in conformance with the Bank's lending policy; and
- (v) The identification of violations of law, rules, or regulations; credit and collateral documentation exceptions.

CONCENTRATIONS OF CREDIT

10. (a) Within 60 days, from the effective date of this Order the Bank will formulate, adopt and implement a written plan to reduce each of the concentrations of credit identified in the ROE. Such plan shall prohibit any additional advances that would increase the concentrations above the levels identified in the ROE or create new concentrations (as defined in the ROE) unless the Bank's board of directors has adopted, prior to such advances, a detailed written statement giving the reasons why such additional advances are in the best interest of the Bank. A copy of the statement shall be signed by each director, and incorporated in the minutes of the applicable board of directors' meeting. A copy of the statement shall be placed in the appropriate loan files. The plan shall include, but not be limited to:

- (i) Specific levels to which the Bank shall reduce each concentration of Commercial Real Estate, Construction and Development, and individual concentrations; and
- (ii) Provision for the submission of monthly written progress reports to the Bank's board of directors for review and notation in the minutes of the board of directors' meetings.

(b) The plan required by this paragraph shall be submitted to the Regional Director and Administrator for review and comment.

LENDING AND COLLECTION POLICIES

11. (a) Within 90 days from the effective date of this ORDER, the Bank shall revise, adopt, and implement its written lending and collection policies to provide effective guidance and control over the Bank's lending function, which policies shall include guidelines for the lending issues as detailed on the Risk Assessment Pages of the ROE.

(b) Copies of the policies and revisions thereto required by this paragraph shall be submitted to the Regional Director and Administrator.

ALLOWANCE FOR LOANS AND LEASE LOSSES

12. (a) Prior to submission or publication of all Reports of Condition and Income required by the FDIC after the effective date of this ORDER, the board of directors of the Bank shall review the adequacy of the Bank's ALLL, provide for an adequate ALLL, and accurately report the same. The minutes of the board meeting at which such review is undertaken shall indicate the findings of the review, the amount of increase in the ALLL recommended, if any, and the basis for determination of the amount of ALLL provided. In making these determinations, the board of directors shall consider the Federal Financial Institutions

Examination Council's Instructions for the Reports of Condition and Income and any analysis of the Bank's ALLL provided by the FDIC or WDFI.

(b) The ALLL methodology shall be revised to conform to the Interagency Policy Statement on the Allowance for Loan and Lease Losses. At a minimum, the ALLL methodology and adequacy calculation shall be based upon the assigned factor values and impaired credits as outlined under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 450-20, Contingencies – Loss Contingencies (formerly referred to as Statement of Financial Accounting Standards ("FAS") Number 5) and ASC Topic 310-10, Receivables (formerly referred to as FAS Number 114).

(c) ALLL entries required by this paragraph shall be made prior to any capital determinations required by this ORDER.

STRATEGIC PLAN

13. (a) Within 90 days from the effective date of this ORDER, the Bank shall formulate, adopt, and implement a realistic, comprehensive strategic plan. The plan required by this paragraph shall contain an assessment of the Bank's current financial condition and market area, and a description of the operating assumptions that form the basis for major projected income and expense components. The written strategic plan shall address, at a minimum:

- (i) Strategies for pricing policies and asset/liability management; and
- (ii) Financial goals, including pro forma statements for asset growth, capital adequacy, and earnings.

(b) Within 30 days from the end of each calendar quarter following the effective date of this ORDER, the Bank's board of directors shall evaluate the Bank's actual performance in relation to the strategic plan required by this paragraph and record the results of

the evaluation, and any actions taken by the Bank, in the minutes of the board of directors' meeting at which such evaluation is undertaken.

(c) The strategic plan required by this ORDER shall be revised 30 days prior to the end of each calendar year during which this ORDER is in effect. Thereafter the Bank shall approve the revised plan, which approval shall be recorded in the minutes of a board of directors' meeting, and the Bank shall implement and adhere to the revised plan.

(d) Copies of the plan and revisions thereto required by this paragraph shall be submitted to the Regional Director and Administrator.

PROFIT PLAN AND BUDGET

14. (a) Within 60 days from the effective date of this ORDER, the Bank shall revise, implement, and adhere to its written profit plan and a realistic, comprehensive budget for all categories of income and expense for calendar years 2012 and 2013. The plans required by this paragraph shall contain formal goals and strategies, consistent with sound banking practices, to reduce discretionary expenses and to improve the Bank's overall earnings, and shall contain a description of the operating assumptions that form the basis for major projected income and expense components.

(b) Within 30 days from the end of each calendar quarter following completion of the profit plans and budgets required by this paragraph, the Bank's board of directors shall evaluate the Bank's actual performance in relation to the plan and budget, record the results of the evaluation, and note any actions taken by the Bank in the minutes of the board of directors' meeting at which such evaluation is undertaken.

(c) A written profit plan and budget shall be prepared for each calendar year for which this ORDER is in effect.

(d) Copies of the plans and budgets required by this paragraph shall be submitted to the Regional Director and Administrator.

LIQUIDITY PLAN

15. (a) Within 60 days of the effective date of this ORDER, the Bank shall revise, adopt, and implement its written contingency funding plan (“Liquidity Plan”). The Liquidity Plan shall identify sources of liquid assets to meet the Bank’s contingency funding needs over time horizons of one month, two months, and three months. At a minimum, the Liquidity Plan shall be prepared in conformance with the Liquidity Risk Management Guidance found at FIL-84-2008 and include provisions to address the issues identified in the ROE.

(b) A copy of the plan required by this paragraph shall be submitted to the Regional Director and Administrator.

(c) During the life of this Order, the Bank shall submit to the Regional Director and the Administrator a liquidity analysis report, in a format that is acceptable to the Regional Director and the Administrator, and on a schedule as determined by the FDIC and the Administrator.

INTEREST RATE RISK

16. Within 30 days from the effective date of this ORDER, the Bank shall adopt and implement procedures to insure it is in compliance with its plan for assessing interest rate risk.

CORRECTION OF VIOLATIONS

17. Within 60 days from the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of law, rule, and regulations listed within the Violations of Laws and Regulations pages of the ROE.

NOTIFICATION TO SHAREHOLDERS

18. Following the effective date of this ORDER, the Bank shall send to its shareholders a copy of this ORDER in conjunction with the Bank's next shareholder communication.

PROGRESS REPORTS

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

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

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 and the WDFI.

Pursuant to delegated authority.

Dated: April 13, 2012

/S/

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

/S/

Michael J. Mach
Administrator
Department of Financial Institutions for the
State of Wisconsin