FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

In the Matter of	)	
SUTTON BANK ATTICA, OHIO	)	CONSENT ORDER
	)	FDIC-15-0074b
(Ohio Chartered Insured Nonmember Bank)	)	

Sutton Bank, Attica, Ohio ("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 or regulation alleged to have been committed by the Bank, including those related to the Bank Secrecy Act, 31 U.S.C. §§ 5311-5330, and regulations implementing the Bank Secrecy Act, including 12 C.F.R. Part 326, Subpart B, and 31 C.F.R. Chapter X (hereinafter collectively, the "Bank Secrecy Act" or "BSA"), and of its right to a hearing on the charges under section 8(b) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER ("STIPULATION") with a representative of the Federal Deposit Insurance Corporation ("FDIC"), dated July 20, 2015, whereby, solely for the purpose of this proceeding and without admitting or denying the

charges of unsafe or unsound banking practices and violations of law, rule, or regulation, the Bank consented to the issuance of a CONSENT ORDER ("ORDER") by the FDIC.

The FDIC considered the matter and determined that they had reason to believe the Bank had engaged in unsafe or unsound banking practices, including those related to the Bank Secrecy Act, and therefore accepted the STIPULATION.

Having also determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) have been satisfied, the FDIC HEREBY ORDERS 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:

QUALIFIED BSA MANAGEMENT

1. (a) While this ORDER remains in effect, the Bank shall have and thereafter retain management qualified to oversee all aspects of the Bank's BSA Compliance Program, specifically including oversight of all aspects of the Bank's third-party relationships, to assure full compliance with applicable laws and regulations related thereto.

(b) Within thirty (30) days from the effective date of this ORDER, the Bank's Board of Directors ("Board") shall designate either the Bank's current BSA Officer or another

senior bank official to be responsible for overall BSA compliance and oversight of the Bank's third-party relationships. This designated senior official shall be in a position, and have full authority to make and enforce policies with respect to BSA compliance within the third-party relationships, and to assure that full and complete corrective action is taken regarding previously identified violations and deficiencies. This senior bank official shall have the necessary knowledge, training, and expertise to effectively oversee the Bank's BSA compliance of its third-party relationships.

(c) The Board shall ensure that the designated BSA officer or other senior official, as well as all other personnel with BSA responsibilities within the third-party relationships, be provided the written authority and the necessary training, time, and resources to fully implement and comply with all BSA/AML regulations and the requirements of this ORDER.

BSA/AML PROGRAM

2. (a) Within thirty (30) days from the effective date of this ORDER, the Bank shall develop, adopt, and implement revisions to the Bank's existing written BSA/AML policies and procedures to fully address all aspects and operations of the Bank's third-party relationships. The revised policies and

procedures shall meet all applicable requirements of section 326.8 of the FDIC's Rules and Regulations, 12 C.F.R. § 326.8, fully address all BSA/AML deficiencies cited in the Joint Report of Examination dated October 27, 2014 ("ROE"), and shall, at a minimum, include:

(i) Procedures for Making BSA Risk Assessments for third party relationships which fully comply with the guidance set forth in the ROE;

(ii) A formal Customer Identification Program for third party relationships which fully complies with the guidance set forth in the ROE;

(iii) Customer Due Diligence and Enhanced Due Diligence procedures for third party relationships which fully comply with the guidance set forth in the ROE; and

(iv) Procedures for monitoring, identifying, and properly reporting suspicious activity within the third-party relationships which fully comply with the guidance set forth in the ROE.

(b) A copy of the Bank's revised BSA/AML compliance program shall be submitted to, and deemed to be acceptable by,

the Regional Director of the FDIC's Chicago Regional Office ("Regional Director").

INDEPENDENT TESTING

3. Within one-hundred-twenty (120) days of the effective date of this ORDER, the Bank shall obtain an effective and comprehensive independent test of Bank's third-party relationships for compliance with BSA/AML requirements. The test should be risk focused and shall include BSA/AML activities at the Bank as well as at all third parties to whom the Bank outsources BSA activities. Thereafter, the independent testing of the third-party relationships shall be conducted annually and included as part of the Bank's annual BSA audit.

BSA TRAINING PROGRAM

4. Within sixty (60) days from the effective date of this ORDER, the Board shall ensure that the Bank provides for and documents an improved, comprehensive BSA training program for all appropriate personnel involved in the Bank's third-party relationships. The training program shall include specialized BSA/AML training focused upon the activities and customers of the Bank's third-party relationships, and shall include, without limitation, tellers, customer service representatives, lending officers, private and personal banking officers, and all other

customer contact personnel involved in the third-party relationships. The required training shall be conducted by qualified staff and/or independent contractors, shall include training in all aspects of regulatory and internal policies and procedures related to the BSA, and shall provide specific, training with regard to Customer Identification Procedures, Customer Due Diligence requirements, Enhanced Due Diligence requirements and Suspicious Activity Report filing as related to the third-party relationships.

SUSPICIOUS ACTIVITY MONITORING AND REPORTING

5. Within sixty (60) days of the effective date of this ORDER, the Bank shall develop, adopt and implement written policies and procedures for monitoring and reporting suspicious activity within all third-party relationships serviced by the Bank. These policies and procedures shall comply with all applicable requirements of section 353 of the FDIC's Rules and Regulations, 12 C.F.R. § 353, and shall be designed to ensure and maintain compliance by the Bank with all rules and regulations for monitoring and reporting suspicious activity within the third-party relationships.

CORRECTION OF VIOLATIONS

6. Within sixty (60) days from the effective date of this ORDER, the Bank shall correct and/or eliminate all violations of law and regulations cited in the ROE and shall adopt and implement appropriate procedures to ensure future compliance with all applicable federal and state laws, regulations, and statements of policy.

INFORMATION TECHNOLOGY

7. (a) Within sixty (60) days from the effective date of this ORDER, the Bank shall amend its written information security program to cover all aspects of its third-party relationships. The Amended Information Security Program shall, at a minimum, include procedures:

(i) to ensure the security and confidentiality of customer information, including those to protect against unauthorized access and use of such information;

(ii) to identify known and anticipated threats and hazards to security and provide methods for dealing with each;

(iii) to provide for the timing and proper disposal of, customer information no longer needed in the Bank's programs; and

(iv) to ensure that all other Information Technology deficiencies cited in the ROE are corrected and/or eliminated consistent with the recommendations made therein.

(b) Within sixty (60) days from the effective date of this ORDER, the Bank shall develop and implement revised patch management processes to ensure that all network-attached devices and applications are patched in a timely manner.

NOTIFICATION TO SHAREHOLDER

8. Following the effective date of this ORDER, the Bank shall send to its shareholder a copy of this ORDER: (1) in conjunction with the Bank's next shareholder communication; or (2) in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting.

PROGRESS REPORTS

9. Within thirty (30) days from the end of each calendar quarter following the effective date of this ORDER while it remains in effect, the Bank shall furnish to the FDIC written progress reports approved by the Board, detailing the actions taken to secure compliance with this ORDER and the results thereof. The Board's approval and any discussion thereof shall

be noted in the Board's minutes for the meeting at which approval is given.

The effective date of this ORDER shall be the day of its issuance by the FDIC.

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.

Pursuant to delegated authority.

Dated: July 27, 2015.

Federal Deposit Insurance
Corporation
Chicago Regional Office

/S/
M. Anthony Lowe
Regional Director