FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

and

STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION
TALLAHASSEE, FLORIDA

In the Matter of	)	CONSENT ORDER
SURETY BANK DELAND, FLORIDA	)	FDIC-12-573b OFR 0948-FI-10/12
(Insured State Nonmember Bank)	)	

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for Surety Bank, Deland, 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 January 23, 2013, 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 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 (2012). On February 10, 2012, the FDIC and the OFR issued a separate Consent Order to the Bank that remains in full force and effect.

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:

BSA COMPLIANCE PLAN

1. a. Within 90 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 law and regulations related to the Bank Secrecy Act ("BSA") 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"), 31 C.F.R. Part 501, the FDIC's BSA compliance regulations, 12 C.F.R. § 326.8, and the FDIC's Suspicious Activity Report ("SAR") regulations, 12 C.F.R. Part 353 ("Part 353") (collectively, "BSA Rules"). The Bank shall submit the Compliance Plan to the Regional Director of the FDIC's Atlanta Regional Office ("Regional Director") and to the OFR (collectively "Supervisory Authorities") for review and comment. Upon receipt of the Supervisory Authorities' comments, if any, the Board shall review, approve, and implement the Compliance Plan. After the Board has approved the Compliance Plan, the review and approval shall be recorded in the minutes of the Board. Thereafter, the Bank shall ensure future compliance with the BSA Rules. At a minimum, the Compliance Plan shall require the review, enhancement, or restatement, as appropriate of:

(i) a system of internal controls, including policies and procedures to detect and monitor all transactions to ensure compliance with the BSA Rules. Such controls shall specifically address the opening and monitoring of accounts with frequent wire and check activity;

(ii) procedures for the Bank's Customer Identification Plan ("CIP") and account opening procedures;

(iii) 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 client relationships on a transaction basis as well as by account and customer;

(iv) policies, procedures, and systems for identifying, evaluating, monitoring, investigating, and reporting suspicious activity, particularly including transactions involving high-risk customers or accounts, and/or high-risk jurisdictions, and the appropriateness of the Bank's criteria for designating an account as high-risk and assessing the Bank's procedures and systems for identifying and monitoring customer transactions in accordance with the BSA Rules;

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

(vi) policies and procedures with respect to wire transfer recordkeeping requirements;

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

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

(ix) implementation of the recommendations in the Report of Examination dated June 4, 2012 ("2012 Report") for an appropriate training program for the Bank to assure that appropriate personnel are regularly trained to comply with the BSA Rules.

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

DIRECTORS' COMMITTEE

2. Within 30 days from the effective date of the ORDER, the Directors' Committee, also will oversee the Bank's compliance with the BSA Rules. The Directors' Committee shall present a report regarding the Bank's adherence to the ORDER and the Compliance Plan to the Board at each regularly scheduled Board meeting. Such report shall be recorded in appropriate minutes of the Board's meeting and shall be retained in the Bank's records.

RISK ASSESSMENT

3. Within 120 days from the effective date of the ORDER, the Board shall update the Bank's overall BSA risk assessment of the Bank's compliance with the BSA Rules that considers all major risks, including but not limited to products, services, types of customers, and geographic locations, with analysis of the major risk categories. The Board shall specify in the Compliance Plan how frequently the risk assessment will be updated or reassessed.

BSA, AML, AND OFAC POLICIES

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

a. Methods of determining, reviewing, and validating risk ratings of customers, with standards for periodic reassessments;

b. Comprehensive monitoring of high-risk accounts, with full utilization of account monitoring software;

c. Adequate systems for account aggregation to ensure sufficient data to determine if SARs and Currency Transaction Reports ("CTRs") should be filed;

d. Standards for documentation of new accounts, both to meet the minimum standards of all applicable laws and regulations and to capture sufficient data for customer due diligence, with specification of the time and responsibility for obtaining missing documentation; and

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

INTERNAL CONTROLS

5. Within 60 days from the effective date of the ORDER, and as acceptable to the Supervisory Authorities, the Bank shall enhance and implement its system of internal routines and controls to ensure compliance with the BSA Rules including, but not limited to, the monitoring of high-risk and suspicious activities for all types of accounts, products, services, and geographic areas.

DUE DILIGENCE PROGRAM

6. Within 60 days from the effective date of the ORDER, and as acceptable to the Supervisory Authorities, 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 the Bank.

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

(i) time limits for Bank personnel to respond to account activity exceptions;

(ii) time limits for determining if exceptions require a SAR; and

(iii) identification of customers requiring site visitations and frequency of visitations.

b. EDD shall include the following procedures:

(i) determine the appropriate documentation necessary to confirm the identity and business activity of the customer;

(ii) understand the normal and expected transactions of the customer; and

(iii) reasonably ensure the identification and timely, accurate, and complete reporting of known or suspected criminal activity against or involving the Bank to law enforcement and the Supervisory Authorities, as required by the suspicious activity reporting provisions of 12 C.F.R. § 353.

TRAINING

7. a. Within 60 days from the effective date of the ORDER, the Bank shall revise its training program to provide comprehensive training that shall have a general component for all directors and staff and specific components that are tailored to the needs of specific positions, departments, and personnel. The training program shall provide for both initial and periodic refresher training and shall specify who is responsible for dissemination of

changes in the BSA Rules 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.

b. The Bank shall periodically, but no less than annually, assess in writing the effectiveness of the comprehensive training program.

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

BSA STAFF

8. Within 90 days from the effective date of the ORDER, the Bank shall analyze and assess the Bank's staffing needs to provide an adequate number of qualified staff for the Bank's BSA Department. The Bank shall provide for an assessment of the BSA Department to determine whether these individuals possess the ability, experience, training, and other necessary qualifications required to perform present and anticipated duties, including adherence to the Bank's BSA Compliance Program, the requirements of the BSA Rules, and the provisions of this ORDER. As part of this assessment, the Board shall designate a qualified BSA 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 as set forth in paragraph 3 of this ORDER. The Board shall ensure the BSA Officer

has the necessary authority to implement all aspects of the Compliance Plan.

INDEPENDENT TESTING

9. Within 90 days from the effective date of this ORDER, the Board shall establish written standards for independent testing of BSA, AML, and OFAC compliance, as required by paragraph 1 of this ORDER. The testing program shall focus on ensuring adequate and accurate evaluations of the overall integrity and effectiveness of the BSA and AML compliance program, including policies, procedures, and processes. Standards shall specify who will conduct independent tests or, if to be conducted by an external party, who will select the independent testers and the minimum qualifications of the independent testers. Standards will specify in-house responsibility for reviews of findings and for implementing or otherwise resolving recommendations in reports of BSA, AML, and OFAC compliance testing, to include a comparison of major findings against other sources of external and internal information about the BSA, AML, and OFAC program. The independent testing shall, at a minimum:

a. test the Bank's internal procedures for monitoring compliance with the BSA and BSA Rules, including interviews of employees who handle cash transactions;

b. sample large currency transactions followed by a review of the CTR filings;

c. test the validity and reasonableness of the customer exemptions granted by the Bank;

d. test the Bank's recordkeeping system for compliance with the BSA and BSA Rules;

e. document the scope of the testing procedures performed and the findings of the testing. The independent testers shall prepare written reports documenting the testing results and make specific recommendations for improvement, they shall provide those reports to the Bank's Board, and the reports shall be noted in the minutes of Board meetings;

f. test to assure that all reportable transactions have been identified and CTRs have been filed within the prescribed time frames;

g. test to assure that the Bank is reviewing all applicable reports;

h. test to assure that Bank personnel are reviewing monitoring reports for structuring activities and, if applicable, that appropriate SARs are filed in a timely manner with the appropriate law enforcement agencies;

i. test the Bank's CIP;

j. tests to ensure that the Bank is in compliance with the BSA and BSA Rules related to:

(i) identifying and reporting suspicious activities;

(ii) funds transfer operations;

(iii) on-going training of appropriate personnel;

(iv) OFAC compliance;

(v) high-risk activities related to customers and other areas of the Bank;

(vi) compliance with information sharing requirements, including FinCEN requests pursuant to 31 C.F.R. § 1010.520 ("FinCEN Section 314(a) Request");

(vii) testing of the accuracy and validity of the automated large transaction identification system; and

(viii) confirming the integrity and accuracy of management information reports used in the AML compliance program.

k. The results of each independent test as well as any apparent exceptions noted during the testing shall be presented to the Board. The Board shall record the steps taken to correct any exceptions noted and address any recommendations made during each independent test in the minutes of the meeting.

SAR AND CTR PROCEDURES

10. a. Within 60 days from the effective date of this ORDER, the Bank shall establish 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.

b. Within 30 days from the effective date of this ORDER, the Bank shall contract with an independent auditor to conduct a forensic review of all high risk accounts maintained since January 1, 2010, and determine whether SARs should be filed. This forensic review shall be completed within 180 days from the effective date of this ORDER.

AUDITS

11. a. Within 60 days from the effective date of this ORDER, the Bank shall adopt and implement a comprehensive written audit program, which shall include periodic and thorough reviews of the Bank's compliance with the BSA Rules with significant exceptions reported directly to the Board. The minutes of the meetings of the Board shall reflect consideration of these reports and describe any action taken as a result thereof.

b. 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. The Bank shall thereafter implement and enforce an effective system of internal and external audits, which includes a tracking and follow-up action matrix reviewed by the Board for audit exceptions.

VIOLATIONS OF LAW AND REGULATION

12. Within 90 days from the effective date of this ORDER, the Bank shall take steps necessary, consistent with sound banking practices, to attempt in good faith to eliminate and/or correct all violations of laws, regulations, and/or statements of policy in the 2012 Report and shall adopt and implement appropriate procedures to ensure future compliance with all such applicable laws and regulations.

PROGRESS REPORTS

13. Within 30 days from the end of the first calendar quarter following the effective date of this ORDER, and within 30 days of the end of each quarter thereafter, the Bank shall include within its written progress reports to the Supervisory Authorities details about 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 Supervisory Authorities have released the Bank in writing from making further reports. Such written progress reports shall provide cumulative detail of the Bank's progress toward achieving compliance with each provision of the ORDER, including at a minimum:

a. description of the identified weaknesses and deficiencies;

b. provision(s) of this ORDER pertaining to each weakness or deficiency;

c. actions taken or in-process for addressing each deficiency;

d. results of the corrective actions taken;

e. the Bank's status of compliance with each provision of the ORDER; and

f. appropriate supporting documentation.

All progress reports and other written responses to this ORDER shall be reviewed by the Board and made a part of the minutes of the appropriate Board meeting.

DISCLOSURE TO SHAREHOLDERS

14. 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 OFR, Division of Financial Institutions, 200 East Gaines Street, Tallahassee, FL 32399-0371 to review at least 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.

The provisions of 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 other action against the Bank or any of the Bank's current or former institution-affiliated parties.

This ORDER shall be effective on the date of issuance.

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

Pursuant to delegated authority.

Dated this 31st day of January, 2013.

/s/

Thomas J. Dujenski
Regional Director
Division of Risk Management Supervision
Atlanta Region
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 25th day of January, 2013.

/s/

By: ______________________________

Robert D. Hayes
Interim Director
Division of Financial Institutions
By Delegated Authority for the Commissioner
Office of Financial Regulation