

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

In the Matter of)
)
)
SUN SECURITY BANK) ORDER TO CEASE AND DESIST
ELLINGTON, MISSOURI)
) FDIC-08-066b
)
(Insured State Nonmember Bank))
)

Sun Security Bank, Ellington, Missouri ("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 regulation alleged to have been committed by the Bank, and its right to a hearing on such 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 AN ORDER TO CEASE AND DESIST ("CONSENT AGREEMENT") dated April 23, 2008, with counsel for the Federal Deposit Insurance Corporation ("FDIC"), whereby, solely for the purpose of this proceeding and without admitting or denying any unsafe or unsound banking practices or violations of law or regulation, the Bank consented to the issuance of the following 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 and unsound banking practices and violations of law and regulation. The FDIC, therefore, accepts the CONSENT AGREEMENT and issues the following:

ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED 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, cease and desist from the following unsafe or unsound banking practices and violations of law and regulation:

A. operating with management whose policies and practices are detrimental to the Bank and jeopardize the safety of its deposits;

B. operating with a board of directors that has failed to provide adequate supervision over and direction to the management of the Bank;

C. operating with an excessive level of adversely classified loans and assets, delinquent loans, and non-accrual loans;

D. operating with an inadequate allowance for loan and lease losses for the volume, kind, and quality of loans and leases held;

E. operating with an inadequate loan policy;

F. engaging in hazardous lending and lax collection practices, including, but not limited to:

1. extending and renewing credit without performing loan underwriting and credit analysis consistent with prudent banking practices;

2. extending and renewing credit in contravention of the Bank's loan policy;

3. failing to obtain proper loan documentation;

4. failing to establish and monitor collateral margins of secured borrowers;

5. failing to identify, document, and report real estate loans with loan-to-value ratios in excess of supervisory loan-to-value limits;

6. failing to monitor and control the disbursement of loan proceeds to ensure that loan proceeds are used for the approved purpose of the loan, including, but not limited to land acquisition, development, and construction loans; and

7. extending and renewing credit without obtaining current and complete financial information;

G. failing to properly identify risk and assess the level of risk in problem loans;

H. operating with an excessive level of assets with credit data or collateral documentation deficiencies;

I. operating the Bank with an excessive concentration of loans related to land acquisition, development and construction as described on page 5 of the FDIC's October 29, 2007, Report of Examination of the Bank ("Report of Examination") and with an excessive volume of such loans being adversely classified;

J. failing to appropriately address and correct audit report exceptions;

K. operating without an adequate strategic plan;

L. failing to establish a complete and adequate interest rate risk management process that effectively identifies, measures, monitors, and controls risk and provides for periodic independent review;

M. operating in contravention of supervisory policy statements and other guidance, including, but not limited to:

1. Appendix A of Part 364 of the FDIC Rules and Regulations - Interagency Guidelines Establishing Standards for Safety and Soundness, as more fully described on pages 24 and 25 of the Report of Examination;

2. Appendix A of Part 365 of the FDIC Rules and Regulations - Interagency Guidelines for Real Estate Lending

Policies, as more fully described on pages 25 and 26 of the Report of Examination;

3. the Joint Policy Statement on Interest Rate Risk, as more fully described on page 26 of the Report of Examination; and

4. the Interagency Policy Statement on the Allowance for Loan and Lease Losses, as more fully described on page 27 of the Report of Examination; and

N. violating laws and regulations, including:

1. the legal lending limit restrictions of the State of Missouri set forth in R.S.Mo. § 362.170.2(1), as more fully described on pages 18 and 19 of the Report of Examination;

2. the security for deposits of public funds requirements set forth in R.S.Mo. §§ 110.010 and 110.020, as more fully described on page 24 of the Report of Examination;

3. the requirements for board of director review of aggregate indebtedness set forth in R.S.Mo. § 362.275.1, as more fully described on page 24 of the Report of Examination;

4. the annual reports to the Bank's board of directors on the implementation, administration, and effectiveness of the Bank's external crimes security program required by section 326.4 of the FDIC Rules and Regulations,

12 C.F.R. § 326.4, as more fully described on pages 21 and 22 of the Report of Examination;

5. the real estate appraisal requirements of Part 323 of the FDIC Rules and Regulations, 12 C.F.R. Part 323, as more fully described on pages 19 through 21 of the Report of Examination; and

6. the Currency and Foreign Transactions Reporting Act (31 U.S.C. § 5311 *et seq.*) ("Bank Secrecy Act"), the rules and regulations implementing the Bank Secrecy Act issued by the U.S. Department of the Treasury (31 C.F.R. Part 103) ("Financial Recordkeeping"), and the requirements of 12 C.F.R. Part 353 ("Suspicious Activity Reports"), as more fully described on pages 22 through 24 of the Report of Examination.

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

1. Qualified Chief Loan Officer.

Within 60 days of the effective date of this ORDER, the Bank shall have a qualified chief loan officer with the requisite knowledge, skills, ability, and experience, giving consideration to the size and complexity of the Bank, to administer the loan portfolio of the Bank in a safe and sound

manner and in compliance with applicable laws and regulations and restore the loan portfolio to a satisfactory condition.

2. Assessment.

(a) Within 30 days of the effective date of this ORDER, the board of directors shall engage an independent consultant that possesses appropriate expertise and qualifications and is acceptable to the Regional Director of the FDIC's Kansas City Regional Office, or his designee ("Regional Director"), and the Commissioner of the Missouri Division of Finance ("Commissioner") (collectively "Supervisory Authorities"), to analyze and assess the Bank's management and staffing performance and needs and prepare a written report to the board of directors.

(b) The Bank shall provide the Supervisory Authorities with a copy of the proposed engagement letter or contract with the consultant for review before it is executed. The contract or engagement letter, at a minimum, shall include:

(i) a description of the work to be performed, including a requirement that the analysis and assessment be summarized in a written report to the board of directors ("Consultant's Report");

(ii) the fees for each significant element of the engagement, and the aggregate fee;

(iii) the responsibilities of the consultant;

(iv) an identification of the professional standards covering the work to be performed;

(v) identification of the specific procedures to be used when carrying out the work to be performed;

(vi) the qualifications of the consultant and its employee(s) who are to perform the work;

(vii) a requirement that the work be completed and the Consultant's Report presented to the board of directors within 60 days of the date of engagement;

(viii) any restrictions on the use of the reported findings;

(ix) a provision for unrestricted access by the Supervisory Authorities to the consultant's workpapers; and

(x) a certification that neither the consultant nor any individual owner, officer or employee of the consultant (if the consultant is not an individual) is affiliated in any manner with the Bank.

(c) The analysis and assessment required by subparagraph 2(a) shall, at a minimum:

(i) identify the type and number of officer positions needed to manage and supervise the affairs of the Bank and detail any vacancies or additional needs, giving appropriate consideration to the size and complexity of the Bank;

(ii) identify the type and number of staff positions needed to carry out the Bank's strategic plan, detailing any vacancies or additional needs;

(iii) identify the authorities, responsibilities, and accountabilities attributable to each position, as well as the appropriateness of the authorities, responsibilities, and accountabilities, giving due consideration to the relevant knowledge, skills, abilities, and experience of the incumbent (if any) and the existing or proposed compensation;

(iv) present a clear and concise description of the relevant knowledge, skills, abilities, and experience necessary for each position, including delegations of authority and performance objectives;

(v) evaluate the current and past performance of all existing Bank officers, including executive officers and staff members, indicating whether the individuals are competent and qualified to perform present and anticipated duties, adhere to the Bank's established policies and practices, and operate the Bank in a safe and sound manner; and

(vi) identify the Bank committees needed to provide guidance and oversight to management.

(d) Within 30 days of receipt of the Consultant's Report, the board of directors shall:

(i) conduct a full and complete review of the Consultant's Report, which review shall be recorded in the minutes of the board; and

(ii) develop a written plan that incorporates the findings of the report, a plan of action in response to each recommendation contained in the report, and a time frame for completing each action ("Management Plan").

(e) At a minimum, the Management Plan shall:

(i) contain a recitation of the recommendations included in the Consultant's Report or otherwise communicated to the Bank by the consultant;

(ii) identify the type and number of officer positions needed to manage and supervise the affairs of the Bank and detail any vacancies or additional needs, giving appropriate consideration to the size and complexity of the Bank;

(iii) identify the type and number of staff positions needed to carry out the Bank's strategic plan, detailing any vacancies or additional needs;

(iv) identify the authorities, responsibilities, and accountabilities attributable to each position, as well as the appropriateness of the authorities, responsibilities, and accountabilities, giving due consideration to the relevant knowledge, skills, abilities, and experience of the incumbent (if any) and the existing or proposed compensation;

(v) present a clear and concise description of the relevant knowledge, skills, abilities, and experience necessary for each position, including delegations of authority and performance objectives;

(vi) evaluate the current and past performance of all existing Bank officers, including executive officers and staff members, indicating whether the individuals are competent and qualified to perform present and anticipated duties, adhere to the Bank's established policies and practices, and operate the Bank in a safe and sound manner;

(vii) identify and establish Bank committees needed to provide guidance and oversight to management;

(viii) establish requirements and methodologies to periodically evaluate each individual's job performance;

(ix) establish a plan to terminate, rotate, or reassign officers and staff as necessary, as well as recruit and retain qualified personnel consistent with the analysis and assessment of the Bank's staffing needs;

(x) identify training and development needs and incorporate a plan to provide such training and development;

(xi) establish procedures to periodically review and update the Management Plan, as well as periodically review and assess the performance of each officer and staff member;

(xii) contain a current organizational chart that identifies all existing and proposed staff and officer positions, delineates related lines of authority and accountability, and establishes a written plan for addressing any identified needs; and

(xiii) contain a current management succession plan.

(f) The Bank shall promptly submit the Consultant's Report and Management Plan to the Supervisory Authorities for review and comment. Within 30 days of receipt of any comments by the Supervisory Authorities, and after due consideration of any recommended changes, the board of directors shall approve the Management Plan, which approval shall be recorded in the minutes of the board. Thereafter, the Bank and its institution-affiliated parties shall implement and fully comply with the Management Plan. It shall remain the responsibility of the board of directors to fully implement the Management Plan within the specified time frames. In the event the Management Plan, or any portion thereof, is not implemented, the board shall immediately advise the Supervisory Authorities, in writing, of specific reasons for deviating from the Management Plan. Any subsequent modification of the Management Plan shall be submitted to the Supervisory Authorities for review and comment and shall not be implemented without the prior written approval of the Supervisory Authorities.

3. Reconstitution.

(a) Within 90 days of the effective date of this ORDER, the Bank shall reconstitute the membership of its board of directors so that a majority of its members are independent with respect to the Bank and its affiliates. Further, the board of directors shall prepare and forward, to each shareholder of the Bank, a list of potential candidates for nomination to the Bank's board of directors prior to the next meeting of shareholders of the Bank at which directors are to be elected. The list of candidates shall include individuals who are independent with respect to the Bank, in such number that, if elected, would cause a majority of the board of directors to be comprised of independent directors. The actions taken in identifying potential candidates, including any communication with such individuals, shall be documented and made part of the minutes of the board of directors.

(b) At the next meeting of the shareholders of the Bank, and at each succeeding meeting of the shareholders at which Bank directors are to be elected, the members of the board of directors who are also shareholders shall nominate and support the election of candidates to the board of directors who are independent with respect to the Bank and its affiliates, in such number as are necessary to cause a majority of the board of

directors to be and to remain independent with respect to the Bank.

(c) For purposes of this ORDER, an individual who is "independent with respect to the Bank" shall be any individual who:

(i) is not employed in any capacity by the Bank, any of its subsidiaries, or affiliated organizations, other than as a director;

(ii) does not own or control more than 10 percent of the outstanding shares of the Bank or its parent company;

(iii) is not related by blood or marriage to any officer or director of the Bank or its affiliates, or to any shareholder owning more than 10 percent of the outstanding shares of the Bank or its parent company, and who does not otherwise share a common financial interest with any such officer, director or shareholder;

(iv) is not indebted, directly or indirectly, to the Bank or any of its affiliates, including the indebtedness of any entity in which the individual has a substantial financial interest, in an amount exceeding 10 percent of the Bank's total Tier 1 capital and allowance for loan and lease losses; and

(v) is a resident of, or engaged in business in, the Bank's trade area;

or is otherwise deemed to be an independent director for purposes of this ORDER by the Supervisory Authorities.

4. Minimum Capital Requirements.

(a) The Bank shall maintain the following minimum capital levels (as defined in Part 325 of the FDIC's Rules and Regulations, 12 C.F.R. Part 325), after establishing an adequate allowance for loan and lease losses:

(i) Tier 1 capital at least equal to eight (8.0) percent of total assets;

(ii) Tier 1 risk-based capital at least equal to eight (8.0) percent of total risk-weighted assets; and

(iii) Total risk-based capital at least equal to twelve (12.0) percent of total risk-weighted assets.

(b) In the event any capital measure falls below the established minimum, the Bank shall submit a plan for increasing capital to the respective minimums to the Supervisory Authorities within 30 days.

5. Restriction on Dividends.

The Bank shall not declare or pay any cash dividend, capital distribution, or earnings distribution without providing a minimum of 30 days advance written notice to the Supervisory Authorities.

6. Concentrations of Credit.

(a) Within 60 days of the effective date of this ORDER, the Bank shall develop and submit a written plan ("Concentration Plan") to the Supervisory Authorities for systematically reducing and monitoring the Bank's portfolio of loans, securities, or other extensions of credit advanced or committed, directly or indirectly, to or for the benefit of any borrowers in the Richard J. Podhorn concentration of credit listed on page 72 of the Report of Examination, and the Bank's concentration in land acquisition, construction, and development loans, including funded extensions of credit, unfunded commitments, and in-substance foreclosures, to an amount which is commensurate with the Bank's business strategy, management expertise, size, and location. At a minimum, the Concentration Plan shall include:

(i) the dollar levels and percent of capital to which the Bank shall reduce each concentration;

(ii) a timeframe for achieving the reduction in dollar levels established pursuant to subparagraph (i) above;

(iii) provisions 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; and

(iv) procedures for monitoring the Bank's compliance with the Concentration Plan.

(b) The Bank shall promptly submit the Concentration Plan to the Supervisory Authorities for review and comment. Within 30 days of receipt of any comments by the Supervisory Authorities, and after due consideration of any recommended changes, the board of directors shall approve the Concentration Plan, which approval shall be recorded in the minutes of the board. Thereafter, the Bank and its institution-affiliated parties shall implement and fully comply with the Concentration Plan. Any subsequent modification of the Concentration Plan shall be submitted to the Supervisory Authorities for review and comment and shall not be implemented without the prior written approval of the Supervisory Authorities.

7. Charge-off of Adversely Classified Assets.

(a) Within 10 days of 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 Report of Examination that have not been previously collected or charged off.

(b) Additionally, within 10 days of the receipt of any future report of examination by the Supervisory Authorities, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss"

in the report of examination that have not been previously collected or charged off.

(c) Elimination or reduction of assets through the proceeds of other loans made by the Bank is not considered collection for purposes of this ORDER.

8. Reduction of Adversely Classified Assets.

(a) Within 60 days of the effective date of this ORDER, the Bank shall formulate a written plan to reduce the Bank's risk exposure in each asset and/or relationship in excess of \$500,000 classified "Substandard" or "Doubtful" in the Report of Examination. For purposes of this provision, "reduce" means to collect, charge off, or improve the quality of an asset so as to warrant its removal from adverse classification by the Supervisory Authorities. In developing the plans required by this paragraph, the Bank shall, at a minimum, and with respect to each adversely classified loan or lease, review, analyze, and document the financial position of the borrower, including source of repayment, repayment ability, and alternative repayment sources, as well as the value and accessibility of any pledged or assigned collateral, and any possible actions to improve the Bank's collateral position.

(b) In addition, the plans required by this paragraph shall include, but not be limited to, the following:

(i) specific action plans intended to reduce the Bank's risk exposure in each classified asset;

(ii) a requirement that monthly written progress reports be submitted to the board of directors; and

(iii) a requirement that the board of directors review the monthly progress reports and record a notation of the review in the minutes of the board of directors.

(c) The Bank shall promptly submit the plans required by this paragraph to the Supervisory Authorities for review and comment. Within 30 days of receipt of any comment from the Supervisory Authorities, and after due consideration of any recommended changes, the board of directors shall approve the plans, which approval shall be recorded in the minutes of the board. Thereafter, the Bank and its institution-affiliated parties shall implement and fully comply with the plans.

9. Restrictions on Advances to Adversely Classified Borrowers.

(a) 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 or obligation with the Bank that has been, in whole or in part, charged off or classified "Substandard" or "Doubtful" and is uncollected. The requirements of this paragraph shall not prohibit the Bank from

renewing, after collecting in cash all interest and fees due from a borrower, any credit already extended to the borrower.

(b) This provision 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 extending additional credit pursuant to this paragraph, whether in the form of a renewal, extension, or further advance of funds, such additional credit shall be approved by the Bank's board of directors, or a designated committee thereof, who shall certify, in writing:

(i) why failure of the Bank to extend such credit would be detrimental to the best interests of the Bank;

(ii) that the extension of such credit would improve the Bank's position, including an explanatory statement of how the Bank's position would improve; and

(iii) an appropriate workout plan has been developed and will be implemented in conjunction with the additional credit to be extended.

The written certification shall be made a part of the minutes of the board of directors, or designated committee, with a copy retained in the borrower's credit file.

10. Correction of Technical Exceptions.

(a) Within 90 days of the effective date of this ORDER, the Bank shall correct the exceptions listed on the "Assets with Credit Data or Collateral Documentation Exceptions" pages of the Report of Examination. All attempts to correct exceptions shall be documented in the borrowers' credit file. In all future operations, the Bank shall ensure that all necessary supporting documentation is obtained and evaluated before any credit or loan is extended by the Bank.

(b) Progress reports detailing each outstanding exception and the Bank's plan for corrective action shall be submitted to the board of directors for review during each regularly scheduled meeting. The review shall be noted in the minutes of the board.

11. Correction of Special Mention Assets.

Within 90 days of the effective date of this ORDER, the Bank shall correct all deficiencies in the assets listed for "Special Mention" in the Report of Examination.

12. Loan Policy.

(a) Within 60 days of the effective date of this ORDER, and annually thereafter, the board of directors of the Bank shall review the Bank's lending policies and procedures for

adequacy and, based upon this review, shall make all appropriate revisions to the policies and procedures necessary to strengthen the Bank's asset quality and lending functions and to prevent further deterioration. The Bank's loan policy shall be amended to address the exceptions noted in the Report of Examination, as well as:

(i) establish prudent lending approval authorities for officers, including limitations on the aggregate amount of credit that can be extended to any single borrower without the prior approval of the loan committee and/or the board of directors;

(ii) establish sound practices for land acquisition, development, and construction lending, including standards that address obtaining credit information, factors that determine the need to obtain collateral protection, acceptable collateral margins, perfecting of liens on collateral, and lending terms;

(iii) establish maximum dollar amounts in relation to the Bank's capital for industry concentrations of credit, including land acquisition, development and construction loans, and provide procedures to monitor and control industry concentrations of credit;

(iv) establish review and monitoring procedures to ensure that all lending personnel are adhering to established lending policies and that the board of directors is receiving

timely and fully-documented reports on loan activity, including reports that identify deviations from established policy and the loan officers responsible for the deviations;

(v) designate the Bank's normal trade area;

(vi) incorporate limitations on the amount that can be loaned in relation to established collateral values, require that collateral evaluations be completed prior to the commitment to lend funds, define the circumstances and time frames under which subsequent collateral valuations will be performed, and require the source of collateral valuations to be identified;

(vii) establish review and monitoring procedures to ensure compliance with the FDIC's appraisal regulation, 12 C.F.R. Part 323;

(viii) require the establishment and maintenance of a reliable loan grading system and internal loan watch list;

(ix) require a written plan to lessen the risk position in each line of credit identified as a problem credit on the Bank's internal loan watch list; and

(x) require loan committee review and monitoring of the status of repayment and collection of overdue and maturing loans, as well as all loans classified "Substandard" and "Doubtful" in reports of examination by the Supervisory Authorities.

(b) The Bank shall promptly submit the revised loan policy to the Supervisory Authorities for review and comment. Within 30 days of receipt of any comments from the Supervisory Authorities, and after due consideration of any recommended changes, the board of directors shall approve the revised loan policy, which approval shall be recorded in the minutes of the board. Thereafter, the Bank and its institution-affiliated parties shall implement and fully comply with the revised loan policy. Any subsequent modification of the loan policy shall be submitted to the Supervisory Authorities for review and comment and shall not be implemented without the prior written approval of the Supervisory Authorities.

13. Loan Committee Responsibilities.

(a) Within 10 days of the effective date of this ORDER, the Bank's loan committee shall begin meeting as frequently as necessary, but in no event less frequently than once a month, to carry out the responsibilities assigned to that committee.

(b) The loan committee shall, at a minimum, perform the following functions:

(i) evaluate and act upon requests for loans or other extensions of credit, and assess the administration of outstanding loans or other extensions of credit, in accordance

with the Bank's loan policy as amended to comply with this ORDER;

(ii) provide thorough, written documentation of any deviations from the loan policy, which shall:

a) explain how such exceptions are in the Bank's best interest;

b) be included in the minutes of the loan committee meeting; and

c) be maintained in the borrower's credit file;

(iii) review and monitor the status of repayment and collection of overdue and maturing loans, all loans classified "Substandard" or "Doubtful" in the most recent report of examination by the Supervisory Authorities, and all loans included on the Bank's internal watch list; and

(iv) maintain written minutes of loan committee meetings, including a record of the review and status of the loans considered.

(c) All loan committee minutes shall be reviewed by the Bank's board of directors during the next scheduled board meeting.

14. Implementation of Loan Review Program.

(a) Within 30 days of the effective date of this ORDER, the board shall develop a written loan review program ("Loan

Review Program") that will provide for periodic review of the Bank's loan portfolio and the identification and categorization of problem credits. At a minimum, the Loan Review Program shall provide for:

(i) prompt identification of loans with credit weaknesses that warrant the special attention of management, including the name of the borrower, amount of the loan, reason why the loan warrants special attention, and assessment of the degree of risk that the loan will not be fully repaid according to its terms;

(ii) action plans to reduce the Bank's risk exposure from each identified relationship;

(iii) prompt identification of all outstanding balances and commitments attributable to each obligor identified under the requirements of subparagraph (i) above, including outstanding balances and commitments attributable to related interests of such obligors, including the obligor of record, relationship to the primary obligor identified under subparagraph (i) above, and an assessment of the risk exposure from the aggregate relationship;

(iv) identification of trends affecting the quality of the loan portfolio, potential problem areas, and action plans to reduce the Bank's risk exposure;

(v) assessment of the overall quality of the loan portfolio;

(vi) identification of credit and collateral documentation exceptions and an action plan to address the identified deficiencies;

(vii) identification and status of violations of laws, rules, or regulations with respect to the lending function and an action plan to address the identified violations;

(viii) identification of loans that are not in conformance with the Bank's lending policies and an action plan to address the identified deficiencies;

(ix) identification of loans to directors, officers, principal shareholders, and their related interests; and

(x) a mechanism for reporting periodically, but in no event less than quarterly, the information developed in subparagraphs (i) through (ix) above to the board of directors. The report should also describe the action(s) taken by management with respect to problem credits.

(b) The Bank shall promptly submit the Loan Review Program to the Supervisory Authorities for review and comment. Within 30 days of receipt of any comments from the Supervisory Authorities, and after due consideration of any recommended changes, the board of directors shall approve the Loan Review Program, which approval shall be recorded in the minutes of the

board. Thereafter, the Bank and its institution-affiliated parties shall implement and fully comply with the Loan Review Program. Any subsequent modification of the Loan Review Program shall be submitted to the Supervisory Authorities for review and comment and shall not be implemented without the prior written approval of the Supervisory Authorities.

(c) Upon implementation, a copy of each loan review report shall be submitted to the board of directors, as well as documentation of the actions taken by Bank management or recommendations to the board that address identified deficiencies in specific loan relationships or the Bank's policies, procedures, strategies, or other elements of the Bank's lending activities. Such reports and recommendations, as well as any actions taken by the board based upon such reports and recommendations, shall be recorded in the minutes of the board of directors.

15. Maintenance of Allowance for Loan & Lease Losses and Reserve for Contingent Liabilities.

(a) Within 10 days of the effective date of this ORDER, the board of directors shall make a provision which will (i) replenish the allowance for loan and lease losses ("Allowance") for the loans charged off as a result of the Report of Examination and this ORDER and (ii) reflect the potential for

further losses in the remaining loans or leases classified "Substandard" and "Doubtful" in the Report of Examination, as well as all other loans and leases in its portfolio.

(b) Within 10 days of the effective date of this ORDER, the Bank shall establish an appropriate reserve for contingent liabilities, including unfunded loan commitments ("Reserve"). Thereafter, the Bank shall maintain an adequate Reserve.

(c) Within 30 days of the effective date of this ORDER, the board shall establish a comprehensive policy and methodology for determining the adequacy of the Allowance and the Reserve ("Allowance and Reserve Policy"). The Allowance and Reserve Policy shall provide for a review of the Allowance and the Reserve at least once each calendar quarter and be completed at least 10 days prior to the end of each quarter in order that the results of the review may be properly reported in the quarterly Reports of Condition and Income. Such reviews shall, at a minimum, include the FAS 5, FAS 114, and Interagency Policy Statement on ALLL.

(d) The Bank shall promptly submit the Allowance and Reserve Policy to the Supervisory Authorities for review and comment. Within 30 days of receipt of any comments from the Supervisory Authorities, and after due consideration of any recommended changes, the Bank shall approve the Allowance and Reserve Policy, which approval shall be recorded in the minutes

of the board. Thereafter, the Bank and its institution-affiliated parties shall implement and fully comply with the policy. Any subsequent modification of the Allowance and Reserve Policy shall be submitted to the Supervisory Authorities for review and comment and shall not be implemented without the prior written approval of the Supervisory Authorities.

16. Strategic Planning.

(a) Within 60 days from the effective date of this ORDER, the Bank shall prepare a comprehensive written strategic plan covering an operating period of at least three years ("Strategic Plan"). The Strategic Plan shall:

(i) contain an assessment of the Bank's current financial condition, product lines, and market area, and a description of the operating assumptions that form the basis for major projected income and expense components;

(ii) address short term goals and operating plans to comply with the terms of this ORDER and correct all regulatory criticisms, intermediate goals and project plans, and long-range goals and project plans for achieving the goals and objectives set forth in the Strategic Plan;

(iii) establish financial goals for the Bank, pro forma statements for asset growth, capital adequacy, and earnings;

(iv) procedures for monitoring performance under the Strategic Plan; and

(v) provisions for periodic review and, if necessary, revision of the Strategic Plan.

(b) The Bank shall promptly submit the Strategic Plan to the Supervisory Authorities for review and comment. Within 30 days of receipt of any comments from the Supervisory Authorities, and after due consideration of any recommended changes, the board of directors shall approve the Strategic Plan, which approval shall be recorded in the minutes of the board of directors.

(c) The Bank shall implement and fully comply with the Strategic Plan after completion of the requirements of subparagraph (b) above. Any subsequent modification of the Strategic Plan shall be submitted to the Supervisory Authorities for review and comment and shall not be implemented without the prior written approval of the Supervisory Authorities.

17. Profit and Budget Plan.

(a) Within 60 days of the effective date of this ORDER, and within the first 30 days of each calendar year thereafter, the board of directors shall develop and fully implement a written profit plan consisting of goals and strategies, consistent with sound banking practices, and taking into account

the Bank's other written plans, policies, or other actions as required by this ORDER ("Profit Plan"). The Profit Plan shall include, at a minimum:

(i) specific goals for the net interest margin, and interest income, as well as maintain adequate provisions to the allowance for loan and lease losses;

(ii) realistic and comprehensive budgets for all categories of income and expense items;

(iii) a description of the operating assumptions that form the basis for, and adequately support, material projected revenue and expense components;

(iv) coordination of the Bank's loan, investment, funds management, and operating policies; strategic plan; and allowance for loan and lease loss methodology with the profit and budget planning;

(v) a budget review process to monitor the revenue and expenses of the Bank whereby actual performance is compared against budgetary projections not less than quarterly;

(vi) recording the results of the budget review and any actions taken by the Bank as a result of the budget review in the minutes of the board of directors; and

(vii) the individual(s) responsible for implementing each of the goals and strategies of the Profit Plan.

(b) The Profit Plan shall be promptly submitted to the Supervisory Authorities for review and comment. Within 30 days of the receipt of any comments from the Supervisory Authorities, and after due consideration of any recommended changes, the board of directors shall approve the Profit Plan, which approval shall be recorded in the minutes of the board. Thereafter, the Bank and its institution-affiliated parties shall fully implement the Profit Plan. Any subsequent modification of the Profit Plan shall be submitted to the Supervisory Authorities for review and comment and shall not be implemented without the prior written approval of the Supervisory Authorities.

18. Internal Audits.

(a) Within 60 days of the effective date of this ORDER, the Bank shall correct the weaknesses of its internal audits described on pages 16 and 17 of the Report of Examination, including but not limited to:

(i) reviewing and revising the scope of the Bank's internal audit program to require that the audit risk assessment encompasses all operations and functions of the Bank;

(ii) improving management oversight to ensure that internal audit exceptions are promptly and adequately addressed and corrected;

(iii) requiring that internal audit findings are presented to the board of directors directly by the Bank's internal auditor; and

(iv) ensuring that all branch managers complete and submit monthly audit summaries to the Bank's internal auditor in a timely manner.

(b) Concurrently with the reconstitution of the Bank's board of directors required by paragraph 3 of this ORDER, the Bank shall reconstitute the membership of the Audit Committee of the board of directors so that a majority of the members are independent with respect to the Bank, as defined in subparagraph 3(c) of this ORDER.

19. External Audits.

Within 30 days of the effective date of this ORDER, the Bank shall:

- (a) engage an outside auditor for its 2007 external audit;
- (b) review and revise its external audit program to (i) ensure that the external audit program complies with the Interagency Policy Statement on External Auditing Programs of Banks and Savings Associations; (ii) require that all audit results, including audit exceptions, are promptly reported to the board of directors; (iii) require the board to fully review the audit findings; and (iv) require the review to be completely

recorded in the minutes of the board, including, if applicable, the board's reasons for not addressing any audit exceptions.

20. Violations.

(a) Within 30 days of the effective date of this ORDER, the Bank shall take all steps necessary, consistent with sound banking practices, to eliminate and/or correct all violations of laws, rules and regulations cited in the Report of Examination that have not previously been corrected. In addition, within 30 days of the effective date of this ORDER, the Bank shall adopt and implement appropriate procedures to ensure future compliance with all applicable laws, rules and regulations.

(b) Within 30 days of the effective date of this ORDER, the Bank shall take all steps necessary, consistent with sound banking practices, to eliminate and/or correct all contraventions of policy cited in the Report of Examination that have not previously been corrected. In addition, within 30 days of the effective date of this ORDER, the Bank shall adopt and implement appropriate procedures to ensure future compliance with all applicable policies of the Supervisory Authorities.

21. Asset/Liability Management Policies.

Within 60 days of the effective date of the ORDER, and annually thereafter, the Bank shall review (and revise as

necessary) the Bank's written interest rate risk policy and procedures. The revised policy and procedures shall comply with the requirements of the Joint Agency Policy Statement on Interest Rate Risk, including, without limitation, requirements for independent review of the interest rate risk process, senior management review of crucial model assumptions, and verification of the accuracy of data input.

22. Disclosure.

The Bank shall send, or otherwise furnish, to its shareholders a description of this ORDER (i) in conjunction with the Bank's next shareholder communication, and (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 and Consumer Protection, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Room F-6066, Washington, D.C. 20429 for review at least 20 days prior to dissemination to shareholders. Any changes requested to be made by the FDIC shall be made prior to dissemination of the description, communication, notice, or statement.

23. Progress Reports.

(a) Within 15 days of the end of the first calendar quarter following the effective date of this ORDER, and within 15 days of the end of each calendar quarter thereafter, the Bank shall furnish written progress reports to the Supervisory Authorities detailing the form, manner, and results of any actions taken to secure compliance with this ORDER. 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:

(i) description of the identified weaknesses and deficiencies;

(ii) provision(s) of the ORDER pertaining to each weakness or deficiency;

(iii) actions taken or in-process for addressing each deficiency;

(iv) results of the corrective actions taken;

(v) the Bank's status of compliance with each provision of the ORDER; and

(vi) appropriate supporting documentation.

(b) Progress reports may be discontinued when the Regional Director has, in writing, released the Bank from making additional reports.

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 by the FDIC.

Issued Pursuant to Delegated Authority.

Dated: April 30, 2008

By:

Mark S. Moylan
Deputy Regional Director
Kansas City Regional Office