FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

and

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

SPRINGFIELD, ILLINOIS

In the Matter of STRATEGIC CAPITAL BANK CHAMPAIGN, ILLINOIS (ILLINOIS CHARTERED INSURED NONMEMBER BANK)	ORDER TO CEASE AND DESIST FDIC-08-205b 2008-DB-44

Strategic Capital Bank, Champaign, Illinois ("Bank"), having been advised of its right to a NOTICE OF CHARGES AND OF HEARING detailing the unsafe or unsound banking practices alleged to have been committed by the Bank, 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 under 38 Ill. Adm. Code, section 392.30, regarding hearings before the Illinois Department of Financial and Professional Regulation, Division of Banking ("Division"), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("CONSENT AGREEMENT") with representatives of the Federal Deposit Insurance Corporation ("FDIC") and the Division, dated August 14, 2008, 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 or regulations, the Bank consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC and the Division.

The FDIC and the Division considered the matter and determined that they had reason to believe that the Bank had engaged in unsafe or unsound banking practices and had violated laws or regulations. The FDIC and the Division, therefore, accepted the CONSENT AGREEMENT and issued the following:

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:

A. Engaging in rapid asset growth funded through the acceptance of an inordinate volume of brokered deposits that jeopardize the financial condition of the Bank.

B. Operating with an excessive concentration of risk in securities backed by nontraditional mortgages with less than full documentation on underlying loans.

C. Operating with an inadequate level of capital protection for the kind and quality of assets held.

D. Operating with management whose policies and practices are detrimental to the Bank and jeopardize the safety of its deposits.

E. Operating with a board of directors that does not provide adequate supervision over and direction to the management of the Bank to prevent unsafe or unsound banking practices.

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

1. While this ORDER is in effect, the Bank shall not increase its total assets from the balance as of the effective date of this ORDER, without the prior written approval of the Regional Director of the FDIC’s Chicago Regional Office (“Regional Director”) and of 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.

2. (a) While this ORDER is in effect, the Bank shall not accept, renew, or roll over any “brokered deposits,” as that term is defined in section 337.6(a)(2) of the Rules, 12 F.R.C. § 337.6(a)(2), or solicit deposits by offering an effective yield that exceeds by more than 75 basis points the prevailing

effective yields on insured deposits of comparable maturity in the Bank's normal market area or in the market area in which such deposits are being solicited.

(b) Within 15 days of the effective date of this ORDER, the Bank shall adopt a written contingency funding plan which is acceptable to the Regional Director and the Division. The plan shall identify sources of liquid assets to meet the Bank's contingency funding needs over time horizons of one month, three months, six months, and twelve months. At a minimum, the liquidity plan shall include provisions:

(i) Establishing appropriate secured lines of credit at correspondent banks that would allow the Bank to borrow funds to meet depositor demands if the Bank's other provisions for contingency funding prove to be inadequate;

(ii) Requiring the retention of securities and/or other identified categories of investments that can be liquidated within one day in amounts sufficient (as a percentage of the Bank's total assets) to ensure the maintenance of the Bank's liquidity posture at a level consistent with short- and long-term liquidity objectives; and

(iii) Conducting liquidity stress testing to simulate varying market conditions to aid in identifying alternative courses of action to meet the Bank's funding needs.

(c) Within 15 days of the effective date of this ORDER, the Bank shall submit a written plan which is acceptable to the Regional Director and the Division to reduce the volume of brokered deposits held by the Bank on the effective date of this ORDER within three months, six, months, and twelve months.

3. Within 30 days from the effective date of this ORDER, the Bank shall formulate and submit a written plan which is acceptable to the Regional Director and the Division to reduce the concentration of risk in securities backed by nontraditional mortgages with less than full documentation on underlying loans. The plan shall prohibit any additional purchases of such securities and shall include, but not be limited to:

(a) Dollar levels to which the Bank shall reduce the concentration within three, six, and twelve months from the effective date of this Order; and

(b) Provisions 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.

4. Within 60 days of the effective date of this ORDER, the Bank shall maintain its ratio of Tier 1 capital to total assets at or above 8.0 percent and its total risk-based capital ratio

at or above 12.0 percent. For purposes of this ORDER, Tier 1 capital, total assets, and total risk-based capital ratio shall be calculated in accordance with Part 325 of the FDIC Rules and Regulations ("Part 325"), 12 C.F.R. Part 325.

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

6. Within 30 days of receipt of this order, the Bank shall establish policies and procedures which are acceptable to the Regional Director and the Division to establish:

(a) Independent pricing on its securities portfolio and written guidelines to quarterly assess for impairment in compliance with GAAP.

(b) Risk-based capital treatment of securities, especially for those that have been downgraded by any of the Nationally Recognized Statistical Rating Organizations and/or are in below investment grade categories.

7. Following the effective date of this ORDER, the Bank shall send to its shareholders a copy or description of this ORDER: (1) in conjunction with the Bank's next shareholder communication; and (2) in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe this ORDER in all material

respects. The description and any accompanying communication, notice or statement shall be sent to the FDIC Registration and Disclosure Section 550 17th Street, N.W., Washington, D.C. 20429 and to the Illinois Department of Financial and Professional Regulation, Division of Banking, 500 East Monroe, Springfield, Illinois 62701, for review at least 20 days prior to dissemination to shareholders. Any changes requested to be made by the FDIC and the Division shall be made prior to dissemination of the description, communication, notice or statement.

8. (a) 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.

(b) Following the required date of compliance with subparagraph (a) of this paragraph, the Bank's board of directors shall review the Bank's compliance with this ORDER and record its review in the minutes of each regularly scheduled board of directors' meeting.

9. 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 the Division 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. Such reports may be discontinued when the corrections required by this ORDER have been accomplished and the Regional Director and the Division have, in writing, released the Bank from making further reports.

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

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 Division.

Pursuant to delegated authority.

Dated: 14th, August.

Sylvia H. Plunkett Regional Director Chicago Regional Office Federal Deposit Insurance Corporation	Scott D. Clarke Assistant Director Division of Banking Illinois Department Financial Professional Regulation