

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

In the Matter of)
)
)
SUN SECURITY BANK) ORDER TO CEASE AND DESIST
ELLINGTON, MISSOURI)
) FDIC-08-180b
)
(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 October 30, 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 or 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) engaging in violations of consumer laws and regulations;

(B) operating with a board of directors which has failed to provide adequate supervision and direction over the Bank's Compliance Program to prevent the violations of consumer laws and regulations referred to in the FDIC's Compliance Report of Examination of March 3, 2008; and

(C) operating the Bank with an ineffective Compliance Program.

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

Adopt and Implement Compliance Program

1. (a) Within 90 days of effective date of this Order, the Bank shall develop and adopt a comprehensive written Compliance Program that includes written compliance policies and procedures for all applicable consumer laws, rules, and regulations. Such policies and procedures should be sufficiently detailed to provide employees with the information that they need to perform their duties in conformance with applicable laws, rules, and regulations.

(b) The Compliance Program shall be adopted by the Bank's board of directors and shall set forth policies and procedures designed to meet the Bank's compliance responsibilities on an ongoing basis.

2. The board of directors shall ensure the Bank maintains a complete and accurate system of records that reflects consideration of all proposals related to development and adoption of its Compliance Program. Furthermore, when cost is a factor in the decision-making, this shall be fully documented.

3. Within 90 days of the effective date of this ORDER, the board of directors shall forward the written Compliance Program to the Regional Director of the Kansas City Regional Office ("Regional Director"). Within 30 days from receipt of any comments from the Regional Director, the Bank shall:

(a) revise and adopt the written Compliance Program and promptly provide a copy of the revised written Compliance Program to the Regional Director;

(b) shall implement and follow the revised written Compliance Program; and

(c) shall at all times provide sufficient budgetary resources to fully implement and maintain the Compliance Program.

Review and Monitoring of Compliance Program

Review and Internal Monitoring

4. Within 30 days of the adoption of the written Compliance Program, the Bank shall develop and implement an internal review and monitoring system at the institution and branch levels for the purpose of ensuring the Bank is operating in compliance with the written Compliance Program. Each month the results of the internal review and monitoring system shall be provided in writing to each member of the board of directors, along with proposals to correct each identified weakness.

5. The Bank's board of directors shall review the results of the internal review each month and shall take action to ensure each identified weakness is addressed and corrected. The board of directors shall ensure that each such action is identified and recorded in the minutes of the board of directors.

External Audits

6. Within 120 days of the effective date of this ORDER, and each calendar year thereafter, the Bank shall hire an independent external auditor to perform an audit of the Bank's policies, procedures, and practices to ensure compliance with consumer laws, rules, and regulations as well as an assessment of the Bank's monitoring of its Compliance Program at the institution and branch levels. The external auditor's duties shall include, but are not limited, to:

(i) review of the Bank's compliance with the requirements of the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1968, as amended, 42 U.S.C. § 4001 et seq., and Part 339 of the FDIC Rules and Regulations, 12 C.F.R. Part 339, and the Home Mortgage Disclosure Act ("HMDA"), 12 U.S.C. § 2801 et seq., as implemented by Regulation C of the Board of Governors of the Federal Reserve System, 12 C.F.R. Part 203.

(ii) performance of HMDA audits prior to submission of the HMDA data that occurs on or before March 1 of each year; and

(iii) review of the 2006 and 2007 HMDA data prior to the Bank's resubmission of its loan application registers for those years.

Compliance Committee

7. Within 120 days of the effective date of this Order, the Bank's board of directors or senior management shall establish a Compliance Committee to oversee the administration of the Bank's written Compliance Program. The establishment of the Compliance Committee does not in any way diminish the responsibility of the entire board of directors for overseeing and monitoring the Bank's adoption and implementation of the written Compliance Program. The Compliance Committee shall meet on a regular and recurring basis but no less often than monthly, and ensure that its discussions, guidance, decisions, and actions are recorded in the minutes of its meetings and its minutes are retained.

Compliance Officer

8. Within 90 days of the effective date of this Order, the Bank shall hire and thereafter retain a qualified Compliance Officer and shall advise the Regional Director of his/her designation. The Compliance Officer shall be given stated written authority by the Bank's board of directors to implement and supervise the Bank's Compliance Program, including, but not limited to, supervising Bank employees in compliance matters and providing training of Bank's employees in all consumer laws and regulations, establishing internal controls and procedures reasonably designed to prevent violations of consumer laws and

regulations, and performing or supervising the monthly internal reviews required by paragraph 4 of this ORDER, to ascertain compliance with consumer laws and regulations and/or the Bank's Compliance Program.

Training

9. Within 90 days of the effective date of this Order, the Bank shall provide for training in consumer laws, rules, and regulations conducted by an external source. The training must address the deficiencies of the Bank's employees' knowledge and skills identified in the Compliance Report of Examination of March 3, 2008, including, but not limited to, lending-related HMDA and flood insurance laws and regulations. The training shall be presented at least twice per year for employees who have responsibilities that require knowledge of compliance laws, rules and regulations.

The Bank shall supplement this training with regular online compliance-related training provided by a competent external source.

Correcting Violations

10. Within 90 days of the effective date of this Order, the Bank, consistent with safe and sound banking practices, shall eliminate and/or correct all violations of laws and regulations cited in the Compliance Report of Examination of March 3, 2008.

11. (a) Within 60 days of the effective date of this Order, the Bank shall release the persons identified in the June 12, 2007 Visitation Report, as being required to become obligated on a credit instrument in violation of the Equal Credit Opportunity Act ("ECOA"), 15 U.S.C. § 1691 et seq., as implemented by Regulation B of the Board of Governors of the Federal Reserve System, 12 C.F.R. Part 202, and shall:

(i) provide written notification to the affected person and his/her spouse of the release of the individual as an obligor;

(ii) provide the affected persons with notice that he/she may have additional rights under the ECOA and Regulation B; and

(iii) notify any consumer reporting agency to which it reported the obligation as a joint obligation that the obligation is not a joint obligation.

(b) Within 60 days of the effective date of this Order, the Bank shall retain a competent outside party to conduct loan file and bank record review from all of the Bank's locations to identify all active and paid-off commercial and agricultural loans originated, modified, extended, or increased from April 3, 2006, to March 3, 2008, where both spouses are obligated on a credit instrument without clear evidence that

both spouses applied for the loan or are involved in the business or farming operation.

(c) Within 120 days of the effective date of this Order, for any loan identified in paragraph b above, the Bank shall:

(i) release the spouse that it required to become obligated on the credit instrument in violation of the ECOA and Regulation B;

(ii) provide written notification to the affected person and his/her spouse of the release of the individual as an obligor;

(iii) provide the affected persons with notice that he/she may have additional rights under the ECOA and Regulation B; and

(iv) notify any consumer reporting agency to which it reported the obligation as a joint obligation that the obligation is not a joint obligation.

(d) The Bank shall maintain a list of all persons released from the credit obligations as a result of the corrective action described above.

(e) For any loan identified during the file review, where the Bank has determined that it could lawfully require a spouse, who was not involved in the farming or business operation to become obligated on the credit instrument without

violating the ECOA and Regulation B, the Bank shall retain documentation and a summary analysis to support its determination.

(f) Within 150 days of the effective date of this Order, the Bank shall submit a written report to the Regional Director detailing its actions with respect to each of the provisions contained in this section.

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: October 30, 2008

By:

Robert J. Carmona
Deputy Regional Director
Kansas City Regional Office