

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of	)	
	)	ORDER TO
WOODLANDS COMMERCIAL BANK	)	CEASE AND DESIST
SALT LAKE CITY, UTAH	)	
	)	FDIC-09-041b
(INSURED STATE NONMEMBER BANK)	)	
_____	)	

WOODLANDS COMMERCIAL BANK (f/k/a Lehman Brothers Commercial Bank), SALT LAKE CITY, UTAH ("Insured Institution"), having been advised of its right to a Notice of Charges and of Hearing detailing the unsafe or unsound banking practices and of its right to a hearing on the alleged charges under section 8(b)(1) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b)(1), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("CONSENT AGREEMENT") with counsel for the Federal Deposit Insurance Corporation ("FDIC"), dated February 4, 2009, whereby solely for the purpose of this proceeding and without admitting or denying the alleged charges of unsafe or unsound banking practices, the Insured Institution consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC.

The FDIC considered the matter and determined that it had reason to believe that the Insured Institution had engaged in unsafe or unsound banking practices. The FDIC, therefore, accepts the CONSENT AGREEMENT and issues the following:

**ORDER TO CEASE AND DESIST**

IT IS HEREBY ORDERED that the Insured Institution, its directors, officers, employees, agents and other 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 unsafe and unsound banking practice of operating the Insured Institution with inadequate capital in relation to the kind and quality of assets it holds.

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

Required Capital

1. On or before February 20, 2009, the Insured Institution shall, in a manner acceptable to the Regional Director of the New York Regional Office of the FDIC

("Regional Director"), obtain sufficient capital to meet and maintain the *adequately capitalized* capital level for all capital measures (for purposes of this ORDER, all terms relating to capital shall be calculated according to the methodology set forth in Part 325 of the FDIC's Rules and Regulations, 12 C.F.R. Part 325).

#### CAPITAL PLAN

2. The Insured Institution shall develop a written capital plan ("Capital Plan") within fifteen (15) days from the effective date of this ORDER that, at a minimum, includes:

(a) specific plans to maintain a Tier 1 risk-based capital ratio of at least 4%, a total risk-based capital ratio of at least 8% and a leverage ratio of at least 4% until such time as this ORDER is terminated by the Regional Director in writing;

(b) projections for the amount and timing of the capital necessary to meet the Insured Institution's current and future needs;

(c) the primary source(s) from which the Insured Institution will obtain capital to meet its needs along with contingency plans identifying alternative sources of

capital should these primary source(s) not be available;  
and

(d) a guarantee and appropriate assurances of performance acceptable to the Regional Director from each company and/or entity having or exerting control over the Insured Institution that the Insured Institution will comply with the Capital Plan as approved by the Regional Director until such time as this ORDER is terminated by the Regional Director in writing.

3. The Insured Institution shall submit the Capital Plan to the Regional Director for comment, review and approval at 20 Exchange Place, New York, New York 10005. The Regional Director shall provide comments to the Insured Institution within forty-five (45) days of receipt of the proposed Capital Plan submitted for review and comment. Within fifteen (15) days of receipt of comments from the Regional Director, the Insured Institution shall make such modifications as may be necessary to respond to such comments and shall adopt the Capital Plan. The Insured Institution's actions shall be appropriately recorded in the minutes of the Insured Institution's board of directors ("Board"). Thereafter, the Insured Institution and its directors, officers and employees shall fully implement and follow the Capital Plan as adopted and

shall enforce full and complete compliance with it. It shall remain the responsibility of the Board to fully implement the Capital Plan as adopted within the specified time frames.

#### REPORTS OF CONDITION AND INCOME

4. From the effective date of this ORDER, the Insured Institution shall ensure that there are no material misstatements in any Consolidated Reports of Condition and Income ("Call Reports") filed with the FDIC on and after December 31, 2008, and shall amend and file with the FDIC amended Call Reports, in accordance with the Call Report Instructions and Generally Accepted Accounting Principles, which accurately reflect the financial condition of the Insured Institution as of the date of each such Report. Amended Call Reports are to be filed if previously submitted reports contain significant errors as dictated by the Instructions for Preparation of Call Reports.

5. During the life of this ORDER, the correctness of the Call Reports shall be attested to by at least two (2) outside directors of the Insured Institution's Board.

#### PROGRESS REPORTS

6. Within thirty (30) days after the end of the calendar quarter following the effective date of this ORDER, and by the 30th day after the end of every calendar quarter thereafter, the Insured Institution shall furnish written progress reports to the Regional Director detailing the form, content, and manner of any actions taken to secure compliance with this ORDER, and the results thereof.

#### NOTICE TO SHAREHOLDERS

7. Within thirty (30) days of the effective date of this ORDER, the Insured Institution shall send to its shareholders or otherwise furnish a description of this ORDER. 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., 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.

OTHER ACTIONS

8. It is expressly and clearly understood that if, at any time, the Regional Director shall deem it appropriate in fulfilling the responsibilities placed upon him or her under applicable law to undertake any further action affecting the Insured Institution, nothing in this ORDER shall in any way inhibit, estop, bar or otherwise prevent him or her from doing so, including, but not limited to, the imposition of civil money penalties.

9. It is expressly and clearly understood that nothing herein shall preclude any proceedings brought by the Regional Director to enforce the terms of this ORDER, and that nothing herein constitutes, nor shall the Insured Institution contend that it constitutes, a waiver of any right, power, or authority of any other representatives of the United States, departments or agencies thereof, Department of Justice or any other representatives of the State of New York or any other departments or agencies thereof, including any prosecutorial agency, to bring other actions deemed appropriate.

ORDER EFFECTIVE

10. The effective date of this ORDER shall be the date of issuance.

11. The provisions of this ORDER shall be binding upon the Insured Institution, its directors, officers, employees, agents, successors, assigns, and other institution-affiliated parties of the Insured Institution.

13. The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision of this ORDER has been modified, terminated, or set aside in writing by the FDIC.

Pursuant to delegated authority.

Dated: February 4, 2009

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James C. Watkins  
Deputy Regional Director  
Division of Supervision  
and Consumer Protection