

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

_____)	
In the Matter of)	
)	ORDER TO
First Commercial Bank of Tampa Bay)	CEASE AND DESIST
Tampa, Florida)	
)	FDIC-08-347b
(INSURED STATE NONMEMBER BANK))	
_____)	

First Commercial Bank of Tampa Bay, Tampa, Florida ("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/or regulations alleged to have been committed by the Bank 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 a representative of the Legal Division for the Federal Deposit Insurance Corporation ("FDIC") dated May 4, 2009, whereby solely for the purpose of this proceeding and without admitting or denying the alleged charges of unsafe or unsound banking practices and violations of law and/or regulations, the Bank 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 Bank had engaged in unsafe or unsound banking practices and had committed violations of law and/or regulations. The FDIC, therefore, accepted the CONSENT AGREEMENT and issued 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 and unsound banking practices and violations of law and/or regulation:

- (a) Operating with a board of directors (“Board”) that has failed to provide adequate supervision over and direction to the management of the Bank;
- (b) Operating with inadequate management;
- (c) Operating with inadequate equity capital and reserves in relation to the volume and quality of assets held by the Bank;
- (d) Operating with a large volume of poor quality loans;
- (e) Operating with inadequate oversight of the loan portfolio and concentrations of credit;
- (f) Operating with an inadequate allowance for loan and lease losses (“ALLL”);
- (g) Operating with lax underwriting and weak loan administration practices;
- (h) Operating with inadequate provisions for liquidity and funds management;
- (i) Operating in apparent violation of laws, regulations, and/or Statements of Policy as more fully discussed in the FDIC Report of Examination dated September 2, 2008 (“Report”), and
- (j) Operating in such a manner as to produce operating losses.

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

MANAGEMENT

1. The Bank shall have and retain qualified management.

(a) Each member of management shall have qualifications and experience commensurate with his or her duties and responsibilities at the Bank. Management shall include the chief executive officer, president, chief operating officer, senior lending officer, and chief financial officer or an individual performing comparable functions. All management officials shall have an appropriate level of experience and expertise that is needed to perform his or her duties. Each member of management shall be empowered by the Board to fulfill his or her responsibilities by the Board providing him or her with appropriate written authority to implement the provisions of this ORDER, provided, however, that the day to day operation of the Bank shall be the responsibility of the president and chief operating officer.

(b) The qualification of management shall be assessed on their ability to:

- (i) comply with the requirements of this ORDER;
- (ii) operate the Bank in a safe and sound manner;
- (iii) comply with applicable laws and regulations; and
- (iv) restore all aspects of the Bank to a safe and sound condition, including asset quality, capital adequacy, earnings, management effectiveness, sensitivity to market risk, and liquidity.

(c) No more than 60 days from the effective date of this ORDER, the Board shall develop a written analysis and assessment of the Bank's management and staffing needs ("management plan"), which shall include, at a minimum:

(i) Identification of both the type and number of officers positions needed to manage and supervise properly the affairs of the Bank. This identification should take into consideration the Bank's current financial condition and problem assets.

(ii) Identification and establishment of such Bank committees that are needed to provide guidance and oversight to active management;

(iii) evaluation of each Bank officer and employee to determine whether these individuals possess the ability, experience, and other qualifications required to perform present and anticipated duties, including adherence to the Bank's established policies and practices, and maintenance of the Bank's safe and sound condition; and

(iv) a plan of action to recruit and hire any additional or replacement personnel with the requisite ability, experience, and other qualifications, which the Board determines are necessary to fill Bank officer or employee positions consistent with the Board analysis, evaluation, and assessment as provided in paragraphs 1(c)(i) and 1(c)(iii) of this ORDER.

(d) The written management plan and any subsequent modification thereto shall be submitted to the FDIC for review and comment. No more than 30 days from the receipt of any comments from the FDIC, after consideration of such comments, the Board shall approve the written management plan and any subsequent modification of such plan. The approval shall be recorded in the minutes of the Board.

(e) During the life of this ORDER, the Bank shall notify the FDIC in writing of the resignation and/or terminations of any members of its Board and/or any of its senior officer(s) within 15 days of the event. The Bank shall also establish procedures to ensure compliance with section 32 of the FDI Act, 12 U.S.C. § 1831(i) and Subpart F of Part 303 of the FDIC's Rules and Regulations, 12 C.F.R. §§ 303.100 through 303.103. In addition, the Bank shall notify the

FDIC in writing when it proposes to add any individual to the Bank's Board or employ any individual as a senior executive officer. The notification must be received at least 30 days before such addition or employment is intended to become effective and should include a description of the background and experience of the individual(s) to be added or employed. The FDIC may specify, at its sole discretion, such additional information or notice requirements for the Bank to submit as may be deemed necessary for the FDIC to properly evaluate the proposed individual(s). The Bank shall not add or employ any proposed individual(s) if the FDIC issues a written notice of disapproval.

BOARD OF DIRECTORS

2. (a) Beginning with the effective date of this ORDER, the Board shall increase its participation in the affairs of the Bank. The Board shall establish specific procedures designed to fully inform the Bank's Board regarding the management, operation, and financial condition of the Bank at regular intervals and in a consistent format. This participation shall continue to include meetings to be held no less frequently than monthly. The Board shall prepare in advance and shall follow a detailed written agenda during each meeting, during which, at a minimum, the following matters shall be reviewed and approved: reports of income and expenses; loan reports, including new, overdue, renewed, extended, restructured, insider, non-accrual, charged-off, and recovered loans; investment activity; asset/liability and funds management reports; operating policies; personnel actions; conflicts of interest; audit and supervisory reports; and the minutes summarizing individual committee meetings and actions. Participation shall also require the assumption of full responsibility for the approval of sound policies, strategic plans, and budgets for all of the Bank's activities. Board minutes shall be

detailed, maintained and recorded on a timely basis and shall document reviews and any related actions, including the names of any dissenting directors. Nothing in this paragraph shall preclude the Board from considering matters other than those contained in the agenda.

(b) Within 30 days from the effective date of this ORDER, the Board shall establish a Board committee (“Directors’ Committee”), consisting of at least five members, responsible for ensuring compliance with the ORDER, overseeing corrective measures with respect to the ORDER, and reporting to the Board. Four of the members of the Directors’ Committee shall not be officers of the Bank. Bank management shall provide the Directors’ Committee with monthly reports detailing the Bank’s actions with respect to compliance with the ORDER. The Directors’ Committee shall present a report detailing the Bank’s adherence to the ORDER to the Board at each regularly scheduled Board meeting. Such report and any discussion related to the report or the ORDER shall be recorded in the appropriate minutes of the meeting of the Board and shall be retained in the Bank’s records. Nothing contained herein shall diminish the responsibility of the entire Board to ensure compliance with the provisions of this ORDER.

(c) Within 60 days from the effective date of this ORDER, the Bank shall designate a Board committee to review and approve loans of all types, with such committee being structured so that a majority of members are persons who are not actively involved in the Bank’s lending activities. The loan committee shall, at a minimum, perform the following functions:

(i) evaluate and act upon requests for loans or other extensions of credit over \$250,000 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 a thorough, written explanation of any deviations from the loan policy, which shall:

- a. address how such exceptions are in the Bank's best interest;
- b. be included in the minutes of the corresponding 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 regulatory Report of Examination, and all loans included on the Bank's internal watch list;

(iv) review all applications for new loans and renewals of existing loans to Bank directors, executive officers, and their related interests, prepare a written analysis as to whether the credit is in conformance with the Bank's loan and conflicts of interest and ethics policies, as well as all applicable laws and regulations, and refer each application and written analysis to the Bank's Board.

(v) maintain written minutes of the committee meetings, including a record of the review and status of the loans considered. All loan committee minutes shall be reviewed by the Board during the next scheduled meeting.

(d) Within 90 days of the effective date of this Order, the Bank's Board shall develop and adopt an educational program for periodic training for each member of the Board. The educational program shall include, at a minimum:

- (i) specific training in the areas of lending, operations, and compliance with laws, rules and regulations applicable to banks chartered in the State of Florida; and,

- (ii) specific training in the duties and responsibilities of the Board in connection with the safe and sound operation of the Bank.

Upon adoption of the educational program, it shall be submitted to the FDIC for review and comment. The Board shall document the training activities in the minutes of the next Board meeting following completion of the training. The Board's actions as required by this paragraph shall be satisfactory to the FDIC as determined at subsequent examinations.

CAPITAL

3. (a) Within 60 days of the effective date of this Order, the Bank shall restore a Total Risk-based capital ratio of at least 12% and a Tier 1 Leverage based capital ratio of at least 8% (as defined in Part 325 of the FDIC's Rules and Regulations). These capital requirements shall be maintained during the life of this Order and/or until the Bank's adverse classification coverage ratio falls below 25%.

(b) The level of the capital ratios outlined in 3(a) shall be in addition to a fully funded ALLL, the adequacy of which shall be satisfactory to the FDIC as determined at subsequent examinations and/or visitations.

CHARGE-OFF

4. (a) Immediately, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss" and 50 percent of all assets or portions of assets classified "Doubtful" in the Report that have not been previously collected or charged-off unless otherwise approved in writing by the FDIC.

(b) Additionally, while this ORDER remains in effect, the Bank shall, within 30 days of the receipt of any future Report of Examination or visitation of the Bank from the FDIC, eliminate from its books, by collection, charge-off, or other proper entries, the remaining balance

of any assets classified "Loss" and, to the extent consistent with Financial Accounting Standard No. 114, 50 percent of those classified "Doubtful" unless otherwise approved in writing by the FDIC.

(c) If an asset is a loan or lease, the Bank may, in the alternative, increase its ALLL by an amount equal to 50 percent of the loan or lease classified "Doubtful".

(d) Elimination of any of these assets through proceeds of other loans made by the Bank is not considered collection for purposes of this paragraph.

REDUCTION OF CLASSIFIED ITEMS

5. The Bank shall reduce the aggregate balance of assets classified "Substandard" in the Report (\$19,140,000) in accordance with the following schedule. For purposes of this paragraph, "number of days" means number of days from the effective date of this Order.

- (i) Within 90 days, to not more than \$18,250,000.
- (ii) Within 180 days, to not more than \$17,750,000.
- (iii) Within 270 days, to not more than \$17,000,000.
- (iv) Within 360 days, to not more than \$15,500,000.
- (v) Within 540 days, to not more than \$13,250,000.
- (vi) Within 720 days, to not more than \$ 9,500,000.

NO ADDITIONAL CREDIT

6. Beginning with the effective date of this ORDER, 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 from the Bank that has been charged off or classified, in whole or in part, "Loss" or "Doubtful" and is uncollected. The requirements of this paragraph shall not prohibit

the Bank from renewing (after collection in cash of interest due from the borrower) any credit already extended to any borrower.

INTERNAL LOAN REVIEW

7. Within 60 days from the effective date of this Order, the Bank shall revise, adopt and implement an effective internal loan review grading system to provide for periodic review of the Bank's loan portfolio in order to identify and categorize the Banks loans, and other extensions of credit which are carried on the Bank's books as loans, on the basis of credit quality. Such system and its implementation shall insure the accuracy of the Watch List and shall be satisfactory to the FDIC as determined at its initial review and subsequent examinations and/or visitations.

LENDING AND COLLECTION POLICIES

8. Within 60 days from the effective date of this ORDER, the Bank shall revise, adopt, and implement a written lending and collection policy to provide effective guidance and control over the Bank's lending function, which policy shall include, at a minimum, revisions to address all items of criticism enumerated in the ROE. The written lending and collection policy must contain specific guidelines for placing loans on a nonaccrual basis, the appropriate use of interest reserves, and policies and procedures regarding capitalized interest. In addition, the Bank shall obtain adequate and current documentation for all loans in the Bank's loan portfolio. Such policy and its implementation shall be in a form and manner acceptable to the FDIC as determined at subsequent examinations and/or visitations.

CONCENTRATIONS OF CREDIT

9. Within 60 days from the effective date of this ORDER, the Bank shall perform a risk segmentation analysis with respect to the Concentrations of Credit listed on the Concentrations page of the Report and any other concentration deemed important by the Board

and develop a written plan approved by its Board and acceptable to the FDIC to systematically reduce and monitor the Bank's level of concentration risk. At a minimum, the plan shall include:

- i) amounts and percent of capital to which the Bank shall reduce each concentration;
- ii) timeframes for achieving the reduction in dollar levels identified in response to subparagraph 9(i);
- iii) provisions for the submission of monthly written progress reports to the Board for review and notation in the minutes of its meetings; and
- iv) procedures for monitoring the Bank's compliance with the plan.

ESTABLISH/MAINTAIN ALLOWANCE FOR LOAN AND LEASE LOSSES

10. Within 60 days from the effective date of this ORDER, the Board shall review the adequacy of the ALLL and shall revise its policy for determining the adequacy of the ALLL and such policy shall be comprehensive. For the purpose of this determination, the adequacy of the ALLL shall be determined after the charge-off of all loans or other items classified "Loss." The policy shall provide for a review of the ALLL at least once each calendar quarter. Said review should be completed within twenty-one (21) days after the end of each calendar quarter, in order that the findings of the Board with respect to the ALLL may be properly reported in the quarterly Reports of Condition and Income which shall be dated and reflect findings as the most recent quarter end. The review should focus on the results of the Bank's internal loan review, loan and lease loss experience, trends of delinquent and non-accrual loans, an estimate of potential loss exposure of significant credits, concentrations of credit, and present and prospective economic conditions. A deficiency in the ALLL shall be remedied for the calendar quarter, prior to submitting the Report of Condition, by a charge to current operating earnings.

The minutes of the Board meeting at which such review is undertaken shall indicate the results of the review. The Bank's policy for determining the adequacy of the Bank's ALLL and its implementation shall be satisfactory to the FDIC as determined at subsequent examinations and/or visitations.

EARNINGS

11. (a) Within 60 days from the effective date of this ORDER, the Bank shall formulate and fully implement a written plan and a comprehensive budget. The plan and budget required by this paragraph shall include formal goals and strategies, consistent with sound banking practices and taking into account the Bank's other written policies, to improve the Bank's net interest margin, increase interest income, reduce discretionary expenses, and improve and sustain earnings of the Bank. The plan shall include a description of the operating assumptions that form the basis for and adequately support, major projected income and expense components. Thereafter, the Bank shall formulate such a plan and budget by November 30 of each subsequent year.

(b) The plan and budget required by subparagraph 11(a) of this ORDER, shall be acceptable to the FDIC as determined at subsequent examinations and/or visitations.

(c) Following the end of each calendar quarter, the Board shall evaluate the Bank's actual performance in relation to the plan and budget required by subparagraph 11(a) of this ORDER and shall record the results of the evaluation, and any actions taken by the Bank, in the minutes of the Board meeting at which such evaluation is undertaken.

WRITTEN STRATEGIC/BUSINESS PLAN

12. Within 60 days of the effective date of this Order, the Bank shall prepare and

submit to the FDIC a written business/ strategic plan for the years 2009 through 2011 which shall provide specific goals and parameters regarding:

- (a) consideration of the Bank's capital and liquidity positions;
- (b) an operating plan to accomplish specific short-term goals;
- (c) specific long-term goals for growth, profitability, capital maintenance, and service to the community; and
- (d) future information technology needs, product and service enhancements, and the budget implications thereof. The written business/ strategic plan shall be submitted to the FDIC for review and approval within 30 days of its finalization.

ELIMINATE/CORRECT ALL VIOLATIONS OF LAW

13. (a) Within 60 days from the effective date of this ORDER, the Bank, consistent with sound banking practices, shall eliminate and/or correct all violations of law contained in the ROE.

(b) Within 60 days from the effective date of this Order, the Bank shall develop a written plan approved by its Board and acceptable to the FDIC to eliminate and/or correct all contraventions of interagency guidance and Statements of Policy that are contained in the ROE. Said plan shall be consistent with sound banking practices and the goals of Financial Institutions Letter (FIL) 104-2006, entitled Commercial Real Estate Lending Joint Guidance dated December 12, 2006, Appendix A to 12 C.F.R. Part 365, interagency guidance, and policy statements regarding ALLL (hereinafter collectively referred to as the "Guidance").

(c) In addition, the Bank shall implement procedures to ensure future compliance by the Bank with the Guidance and all other applicable laws, regulations and policy statements.

LIQUIDITY

14. (a) Beginning with the effective date of this ORDER, Bank management shall review its liquidity position daily to ensure that the Bank has sufficient liquid assets or sources of liquidity to meet current and anticipated liquidity needs. This review shall include an analysis of the Bank's sources and uses of funds (cash flow analysis). The results of this review shall be presented to the Board for review each month, with the review noted in the Board minutes.

(b) Within 60 days from the effective date of this ORDER, the Bank shall develop or revise, adopt, and implement a written liquidity policy which shall include a provision to increase core deposits and eliminate dependency on volatile funding sources. The written liquidity policy shall incorporate the applicable guidance contained in Financial Institution Letter (FIL) 84-2008 dated August 26, 2008, entitled Liquidity Risk Management including contingency funding plans. The liquidity policy shall provide restrictions on the use of Brokered and Internet deposits consistent with safe and sound banking practices. Such plan shall be submitted to the FDIC for review and approval, and its implementation shall be in a form and manner acceptable to the FDIC, as determined at subsequent examinations and/or visitations.

BROKERED DEPOSITS

15. Upon the effective date of this Order, the Bank shall not increase the amount of brokered deposits above the amount outstanding as of the effective date of this Order. Within twenty (20) days of the effective date of this Order, the Bank shall submit to the FDIC a written plan for eliminating its reliance on brokered deposits. The plan shall detail the current composition of brokered deposits by maturity and explain the means by which such deposits will be paid. The Bank shall submit the plan to the FDIC for review and comment. Within 10 days of receipt of all such comments from the FDIC and after consideration of all such comments, the

Bank shall approve the revised plan, which approval shall be recorded in the minutes of the meeting of the Board. Thereafter, the Bank shall implement and fully comply with the plan. At the end of each month, the Bank shall provide a written progress report to the FDIC detailing the level, source, and use of brokered deposits with specific reference to progress under the Bank's plan. For purposes of this Order, brokered deposits are defined in section 337.6(a)(1) of the FDIC Rules and Regulations to include any deposits funded by third party agents or nominees for depositors, including deposits managed by a trustee or custodian when each individual beneficial interest is entitled to or asserts a right to federal deposit insurance.

SPECIAL MENTION

16. Within 60 days from the effective date of this ORDER, the Bank shall correct the cited deficiencies in the loans listed for "Special Mention" contained on the Items Listed for Special Mention pages of the ROE.

CASH DIVIDENDS

17. The Bank shall not pay cash dividends without the prior written consent of the FDIC.

DISCLOSURE

18. Following the effective date of this ORDER, the Bank shall send to its shareholders or otherwise furnish a description of this ORDER in conjunction with the Bank's next shareholder communication and also 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 Registration Disclosure Section, 550 17th Street, N.W., Room F-6066, Washington, D.C. 20429, to review at least twenty (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.

PROGRESS REPORTS

19. Within 30 days of the end of the first calendar quarter following the effective date of this ORDER, and within thirty (30) days of the end of each calendar quarter thereafter, the Bank shall furnish written progress reports to the FDIC detailing the form and manner of any actions taken to secure compliance with this ORDER and the results thereof. Such reports shall include a copy of the Bank's Report of Condition and the Bank's Report of Income. Such reports may be discontinued when the corrections required by this ORDER have been accomplished and the FDIC has released the Bank in writing from making further reports.

This ORDER shall become effective immediately upon the date of its issuance. The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this ORDER shall have been modified, terminated, suspended, or set aside in writing by the FDIC.

Pursuant to delegated authority.

Dated this 11th day of May, 2009.

/s/

Mark S. Schmidt
Regional Director
Division of Supervision and Consumer Protection
Atlanta Region
Federal Deposit Insurance Corporation