

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

AND

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

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In the Matter of	)	ORDER TO CEASE AND DESIST
	)	
GRAND RIVERS COMMUNITY BANK	)	FDIC-09-093b
GRAND CHAIN, ILLINOIS	)	
	)	2009-DB-23
(STATE CHARTERED	)	
INSURED NONMEMBER BANK)	)	

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Grand Rivers Community Bank, Grand Chain, 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 May 26, 2009, 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, rule or regulation, 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, rules, 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. 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 which has failed to provide adequate supervision over and direction to the management of the Bank to prevent unsafe and

unsound banking practices and violations of law, rule or regulation.

- C. Operating with an inadequate level of capital protection for the kind and quality of assets held.
- D. Operating in a manner which has resulted in inadequate earnings.
- E. Engaging in hazardous lending and lax collection practices.
- F. Operating with an excessive level of adversely classified assets.
- G. Operating with inadequate procedures for determining the adequacy of the Bank's allowance for loans and lease losses for the volume, kind, and quality of loans and leases held.
- H. Operating with an inadequate allowance for loan and lease losses ("ALLL").
- I. Operating with an inadequate loan policy.
- J. Operating with inadequate liquidity in light of the Bank's asset and liability mix.
- K. Operating with an inadequate funds management policy.
- L. Operating with an inadequate audit program.
- M. Operating with inadequate internal routines and controls.
- N. Violating laws, rules or regulations.

- O. Paying inappropriate committee fees and executive officer bonus in relation to the Bank's capital position, earnings capacity and asset quality.
- P. Failing to keep accurate books and records.

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

#### MANAGEMENT

1. (a) Within 45 days from the effective date of this ORDER, the Bank shall have and retain qualified management. At a minimum, such management shall include: (i) a chief executive officer with proven ability in managing a bank of comparable size and experience in upgrading a low quality loan portfolio; (ii) a new senior lending officer with an appropriate level of lending, collection, and loan supervision experience for the type and quality of the Bank's loan portfolio; and (iii) a chief financial officer with demonstrated ability in all financial areas including, but not limited to, accounting, regulatory reporting, budgeting, and planning. Such person or persons shall be provided the necessary written authority to implement the provisions of this ORDER. The qualifications of management shall be assessed on its 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, rules, and regulations; and
- (iv) Restore all aspects of the Bank to a safe and sound condition, including asset quality, capital adequacy, earnings, management effectiveness, and liquidity.

(b) During the life of this ORDER, prior to the addition of any individual to the board of directors or the employment of any individual as a senior executive officer, the Bank shall request and obtain the FDIC's and the Division's written approval. For purposes of this ORDER, "senior executive officer" is defined as in section 32 of the Act ("section 32"), 12 U.S.C. § 1831i, and section 303.101(b) of the FDIC Rules and Regulations, 12 C.F.R. § 303.101(b).

#### MANAGEMENT PLAN

2. (a) Within 30 days from the effective date of this ORDER, the Bank shall retain a bank consultant acceptable to the Regional Director and the Division, who will develop a written analysis and assessment of the Bank's management needs ("Management Study") for the purpose of providing qualified management for the Bank.

(b) The Bank shall provide the Regional Director and the Division with a copy of the proposed engagement letter or contract with the consultant for review.

(c) The Management Study shall be developed within 90 days from the effective date of this ORDER. The Management Study shall include, at a minimum:

- (i) Identification of both the type and number of officer positions needed to properly manage and supervise the affairs of the Bank;
- (ii) Identification and establishment of such Bank committees as are needed to provide guidance and oversight to active management;
- (iii) Evaluation of all Bank officers and staff members 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 restoration and maintenance of the Bank in a safe and sound condition;

- (iv) Evaluation of all Bank officer's compensation, including salaries, director fees, and other benefits;
- (v) A plan to recruit and hire any additional or replacement personnel with the requisite ability, experience and other qualifications to fill those officer or staff member positions identified by this paragraph of this ORDER.

(d) The plan required by this paragraph shall be submitted to the Regional Director and the Division for review and comment. Within 30 days of receipt of any comments from the Regional Director or the Division the Bank shall incorporate any changes required by the Regional Director or the Division and thereafter adopt, implement, and adhere to the plan.

#### BOARD PARTICIPATION

3. As of the effective date of this ORDER, the board of directors shall increase its participation in the affairs of the Bank, assuming full responsibility for the approval of sound policies and objectives and for the supervision of all of the Bank's activities, consistent with the role and expertise commonly expected for directors of Banks of comparable size. This participation shall include meetings to be held no less frequently than monthly at which, at a minimum, the following

areas shall be reviewed and approved: reports of income and expenses; new, overdue, renewal, insider, charged off, and recovered loans; investment activity; adoption or modification of operating policies; individual committee reports; audit reports; internal control reviews including managements responses; reconciliation of general ledger accounts; and compliance with this ORDER. Board minutes shall document these reviews and approvals, including the names of any dissenting directors.

4. Within 90 days from the effective date of this ORDER, the Bank shall increase the number of directors so that a majority of the board of directors is composed of independent directors. For purposes of this ORDER, a person who is an independent director shall be any individual (a) who is not an officer of the Bank or any of its affiliated organizations; (b) who does not own more than 5 percent of the outstanding shares of the Bank; (c) who is not related by blood or marriage to an officer of or director of the Bank or to any shareholder owning more than 5 percent of the Bank's outstanding shares, and who does not otherwise share a common financial interest with such officer, director or shareholder; and (d) who is not indebted to the Bank, directly or indirectly, by blood, marriage or common financial interest in an amount exceeding 5 percent of the Bank's total Tier 1 capital and allowance for loan and lease



losses. The addition of any new Bank directors required by this paragraph may be accomplished, to the extent permissible by state statute or the Bank's bylaws, by means of appointment or by election at a regular or special meeting of the Bank's shareholders.

#### CAPITAL

5. (a) While this ORDER is in effect, the Bank shall maintain its level of Tier 1 capital as a percentage of its total assets ("capital ratio") at a minimum of 8 percent. For purposes of this ORDER, Tier 1 capital and total assets shall be calculated in accordance with Part 325 of the FDIC Rules and Regulations ("Part 325"), 12 C.F.R. Part 325.

(b) If, while this ORDER is in effect, the Bank increases capital by the sale of new securities, the board of directors of the Bank shall adopt and implement a plan for the sale of such additional securities, including the voting of any shares owned or proxies held by or controlled by them in favor of said plan. Should the implementation of the plan involve public distribution of Bank securities, including a distribution limited only to the Bank's existing shareholders, the Bank shall prepare detailed offering materials fully describing the securities being offered, including an accurate description of the financial condition of the Bank and the circumstances giving rise to the offering, and other material disclosures necessary

to comply with Federal securities laws. Prior to the implementation of the plan and, in any event, not less than 20 days prior to the dissemination of such materials, the materials used in the sale of the securities shall be submitted to the FDIC Registration and Disclosure Section, 550 17<sup>th</sup> Street, N.W., Washington, D.C. 20429 and to Scott D. Clarke, Assistant Director, Division of Banking, 500 E. Monroe Street, Springfield, Illinois 62701, for their review. Any changes requested to be made in the materials by the FDIC or the Division shall be made prior to their dissemination.

(c) In complying with the provisions of this paragraph, the Bank shall provide to any subscriber and/or purchaser of Bank securities written notice of any planned or existing development or other changes which are materially different from the information reflected in any offering materials used in connection with the sale of Bank securities. The written notice required by this paragraph shall be furnished within 10 calendar days of the date any material development or change was planned or occurred, whichever is earlier, and shall be furnished to every purchaser and/or subscriber of the Bank's original offering materials.

LOSS CHARGE-OFF

6. As of the effective date of this Order the Bank shall charge off from its books and records any loan classified "Loss"

in the Joint Report of Examination as of December 1, 2008 ("ROE"), that has not been previously collected or charged off.

PROHIBITION OF ADDITIONAL LOANS TO CLASSIFIED BORROWERS

7. (a) As of 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 is already obligated in any manner to the Bank on any extensions of credit (including any portion thereof) that has been charged off the books of the Bank or classified "Loss" in the ROE, so long as such credit remains uncollected.

(b) As of 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 whose loan or other credit has been classified "Substandard" in the ROE, and is uncollected unless the Bank's board of directors has adopted, prior to such extension of credit, a detailed written statement giving the reasons why such extension of credit is in the best interest of the Bank. A copy of the statement shall be signed by each Director, and incorporated in the minutes of the applicable board of directors' meeting. A copy of the statement shall be placed in the appropriate loan file.

REDUCTION OF CLASSIFIED ASSETS

8. (a) Within 45 days from the effective date of this ORDER, the Bank shall formulate and submit to the Regional

Director and Division for review and comment, a written plan to reduce the Bank's risk position in each asset in excess of \$25,000 which is, delinquent or classified "Substandard" in the ROE. The plan shall include, but not be limited to, provisions which:

- (i) Prohibit an extension of credit for the payment of interest, unless the Board provides, in writing, a detailed explanation of why the extension is in the best interest of the Bank;
- (ii) Provide for review of the current financial condition of each delinquent or classified borrower, including a review of borrower cash flow and collateral value;
- (iii) Delineate areas of responsibility for loan officers;
- (iv) Establish dollar levels to which the Bank shall reduce delinquencies and classified assets within 6 and 12 months from the effective date of this ORDER; and
- (v) Provide 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.

(b) As used in this paragraph, "reduce" means to: (1) collect; (2) charge off; (3) sell; or (4) improve the quality of such assets so as to warrant removal of any adverse classification by the FDIC and the Division.

(c) Within 30 days of receipt of any comments from the Regional Director or the Division, the Bank shall incorporate any changes required by the Regional Director or the Division and thereafter adopt, implement, and adhere to the plan.

(d) While this ORDER remains in effect, the plan shall be revised to include assets which become delinquent after the effective date of this ORDER or are adversely classified at any subsequent examinations.

#### LENDING AND COLLECTION POLICIES

9. (a) Within 30 days from the effective date of this ORDER, the Bank shall revise the Bank's written lending and collection policies to provide effective guidance and control over the Bank's lending function, which policies shall include specific guidelines for placing loans on a non-accrual basis. In addition, the Bank shall obtain adequate and current documentation for all loans in the Bank's loan portfolio.

(b) The revisions to the Bank's loan policy and practices, required by this paragraph, at a minimum, shall incorporate the items discussed in the ROE.

(c) The policies and revisions thereto required by this paragraph shall be submitted to the Regional Director and the Division for review and comment. Within 30 days of receipt of any comments from the Regional Director or the Division the Bank shall incorporate any changes required by the Regional Director or the Division and thereafter adopt, implement, and adhere to the policies.

#### LOAN COMMITTEE

10. As of the effective date of this ORDER, the Bank's loan committee shall meet at least monthly. The loan committee shall, at a minimum, perform the following functions:

(a) Evaluate, grant and/or approve loans in accordance with the Bank's loan policy. The loan committee shall provide a thorough written explanation of any deviations from the loan policy, which explanation shall address how said exceptions are in the Bank's best interest. The written explanation shall be included in the minutes of the corresponding committee meeting.

(b) Review and monitor the status of repayment and collection of overdue and maturing loans, as well as all loans

classified "Substandard" in the ROE, or that are included on the Bank's internal watch list.

(c) Review and give prior written approval for all advances, renewals, or extensions of credit to any borrower or the borrower's related interests, when the aggregate credit extended to the borrower and the borrower's related interests exceeds \$150,000. For purposes of this ORDER, the term "related interest" is defined pursuant to section 215.2(n) of Regulation O of the Board of Governors of the Federal Reserve System, 12 C.F.R. § 215.2(n).

(d) Review all applications for new loans and renewals of existing loans to Bank directors, executive officers, and their related interests, and prepare a written opinion as to whether the credit is in conformance with the Bank's loan policy and all applicable laws, rules and regulations. Such applications, renewals, and written opinions shall be referred to the Bank's board of directors for consideration.

(e) Maintain written minutes of the committee meetings, including a record of the review and status of the aforementioned loans. Such minutes shall be made available at the next Bank board of directors meeting.

LIQUIDITY PLAN

11. (a) Within 90 days of the effective date of this ORDER, the Bank shall adopt a written contingency funding plan ("Liquidity Plan"). The Liquidity Plan shall identify sources of liquid assets to meet the Bank's contingency funding needs over time horizons of one month, two months, and three months. At a minimum, the Liquidity Plan shall be prepared in conformance with the Liquidity Risk Management Guidance found at FIL-84-2008 and include provisions to address the issues identified in the ROE.

(b) The plan required by this paragraph shall be submitted to the Regional Director and the Division for review and comment. Within 30 days of receipt of any comments from the Regional Director or the Division the Bank shall incorporate any changes required by the Regional Director or the Division and thereafter adopt, implement, and adhere to the plan.

DIVIDEND RESTRICTION

12. 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.

ALLOWANCE FOR LOAN AND LEASE LOSSES

13. (a) After the effective date of this ORDER, and prior to submission or publication of all Reports of Condition and Income required by the FDIC, the board of directors of the Bank



shall review the adequacy of the Bank's ALLL, provide for an adequate ALLL, and accurately report the same. The minutes of the board meeting at which such review is undertaken shall indicate the findings of the review, the amount of increase in the ALLL recommended, if any, and the basis for determination of the amount of ALLL provided. In making these determinations, the board of directors shall consider the FFIEC Instructions for the Reports of Condition and Income and any analysis of the Bank's ALLL provided by the FDIC or the Division.

(b) ALLL entries required by this paragraph shall be made prior to any capital determinations required by this ORDER.

#### PROFIT PLAN AND BUDGET

14. (a) Within 90 days from the effective date of this ORDER, the Bank shall adopt, implement and adhere to a written profit plan and a realistic, comprehensive budget for all categories of income and expense for calendar years 2009 and 2010. The plans required by this paragraph shall contain formal goals and strategies, consistent with sound banking practices, to reduce discretionary expenses and to improve the Bank's overall earnings, and shall contain a description of the operating assumptions that form the basis for major projected income and expense components.

(b) The written profit plan shall address, at a minimum:

- (i) Realistic and comprehensive budgets;
- (ii) A budget review process to monitor the income and expenses of the Bank to compare actual figures with budgetary projections;
- (iii) Identification of major areas in, and means by which, earnings will be improved;
- (iv) Identification of major areas, and means by which, the board will seek to reduce overhead expenses, including, but not limited to, reasonable director and committee fees, lease payments for the loan production office, and personnel expenses;
- (v) Provisions for loan losses which are adequate to address the risk and growth of the loan portfolio; and
- (vi) A description of the operating assumptions that form the basis for and adequately support major projected income and expense components.

(c) Within 30 days from the end of each calendar quarter following completion of the profit plans and budgets required by this paragraph, the Bank's board of directors shall evaluate the Bank's actual performance in relation to the plan and budget, record the results of the evaluation, and note any

actions taken by the Bank in the minutes of the board of directors' meeting at which such evaluation is undertaken.

(d) A written profit plan and budget shall be prepared for each calendar year for which this ORDER is in effect.

(e) Copies of the plans and budgets required by this paragraph shall be submitted to the Regional Director and the Division.

#### STRATEGIC PLAN

15. (a) Within 90 days from the effective date of this ORDER, the Bank shall formulate, adopt, and implement a realistic, comprehensive strategic plan. The plan required by this paragraph shall contain an assessment of the Bank's current financial condition and market area, and a description of the operating assumptions that form the basis for major projected income and expense components. The written strategic plan shall address, at a minimum:

- (i) Strategies for pricing policies and asset/liability management;
- (ii) Composition of the Board of Directors and the staffing of the Bank, including senior officers;
- (iii) New products or initiatives; and

(iv) Financial goals, including pro forma statements for asset growth, capital adequacy, and earnings.

(b) The Bank will submit the strategic plan to the Regional Director and the Division for review and comment. After consideration of all such comments, the Bank shall approve the plan, which approval shall be recorded in the minutes of a board of directors' meeting. Thereafter, the Bank shall implement the plan.

(c) Within 30 days from the end of each calendar quarter following the effective date of this ORDER, the Bank's board of directors shall evaluate the Bank's actual performance in relation to the strategic plan required by this paragraph and record the results of the evaluation, and any actions taken by the Bank, in the minutes of the board of directors' meeting at which such evaluation is undertaken.

(d) The strategic plan required by this ORDER shall be revised 30 days prior to the end of each calendar year during which this ORDER is in effect.

(e) Copies of the plan and revisions thereto required by this paragraph shall be submitted to the Regional Director and the Division for review and comment. Within 30 days of receipt of any comments from the Regional Director or the Division, the Bank shall incorporate any changes required by the

Regional Director or the Division and thereafter adopt, implement, and adhere to the plan.

INTERNAL ROUTINES AND CONTROLS

16. (a) Within 30 days from the effective date of this ORDER, the Bank shall adopt, implement, and adhere to a policy for the operation of the Bank in such a manner as to provide adequate internal routines and controls consistent with safe and sound banking practices. At a minimum, the bank shall correct the deficiencies in internal routines and controls identified in the ROE and shall establish policies to prevent the recurrence of the noted deficiencies.

(b) A copy of the policy required by this paragraph shall be submitted to the Regional Director and the Division.

CORRECTION OF VIOLATIONS

17. (a) Within 30 days from the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of law, rule, and regulations listed in the ROE.

(b) Within 30 days from the effective date of this ORDER, the Bank shall implement procedures to ensure future compliance with all applicable laws, rules and regulations.

AUDIT

18. (a) Within 60 days from the effective date of this ORDER, the Bank shall cause an external audit of its financial statements and operating procedures to be performed by an

independent public accounting firm acceptable to the Regional Director and the Division. The Bank shall provide the Regional Director and the Division with a copy of the proposed engagement letter for review before it is executed.

(b) During the life of this ORDER, the Bank shall forward copies of any external audit reports it receives to the Regional Director and the Division within 10 days from the Bank's receipt of such reports. The board of directors shall address all findings of the external audit reports at its next regular meeting after receipt of the reports. Any action or inaction taken as a result of addressing the reports shall be noted in the minutes of the board of directors' meeting with each individual member's vote recorded.

RESTRICTIONS ON INSIDER AND INSIDER-RELATED PARTY TRANSACTIONS

19. (a) As of the effective date of this ORDER, the Bank shall not engage in any transactions, loans, or extensions of credit nor enter into any contracts or agreements with any Insiders or Insider-Related Parties without the prior written approval of the Regional Director and Division, except as follows:

(1) Transactions, loans, extensions of credit, contracts, or agreements for any goods or services provided by the Bank to Insiders or Insider-Related Parties which aggregate to an amount or value of \$15,000 or less per calendar year for

each Insider or Insider-Related Party, if provided on non-preferential terms and conditions, or which are provided on such terms and conditions as are advertised to and available to the general public; or

(2) The payment of compensation or other benefits to Insiders or Insider-Related Party as remuneration for their services as employees or directors of the Bank, if such payments are reasonable and appropriate and have been approved in advance by the Board of Directors.

(b) The Bank shall require all Insiders to disclose in writing the information required by this paragraph and shall produce a report to the Regional Director and the Division, within 30 days of the end of each calendar quarter which includes:

(1) Details of all transactions, loans, extensions of credit, contracts or agreements conducted, entered into or outstanding during the immediately preceding calendar quarter or proposed for the future between an Insider or Insider-Related party and the Bank (other than transactions, contracts or agreements permitted above); and

(2) Verified in writing as accurate to the best of the knowledge and belief of each Insider and the Bank's Chief Executive Officer.

For purposes of this paragraph, "Insider" means any Bank director or senior executive officer. For purposes of this paragraph, "Insider-Related Party" means any member of the immediate family of an Insider and any entity in which an Insider or any member of the Insider's Immediate Family is a partner, officer, director, employee, agent, shareholder, member or holder of some other financial interest. For purposes of this paragraph, "Immediate Family" means any spouse, parent, child, brother, sister, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, and any person (other than domestic employees) who shares the Insider's home.

#### CONFLICTS POLICY

20. (a) Within 30 days from the effective date of this ORDER, the Bank shall develop a Conflicts of Interest Policy. At a minimum, the policy shall contain the following provisions:

(i) Employees are prohibited from serving as a loan officer for, or overseeing Bank transactions with, any related interests, relatives, or other entities in which the employee has a direct or indirect financial interest;

(ii) All officers and directors of the Bank shall disclose any direct or indirect financial interest they have in any transaction between any party and the Bank prior to the Bank committing to enter into such a transaction;



(iii) The Bank shall comply with all restrictions of Regulation O of the Board of Governors of the Federal Reserve System, 12 C.F.R. Part 215, and Section 23A of the Federal Reserve Act, 12 U.S.C. § 371c;

(iv) All non-credit transactions between the Bank and any party with which any insider of the Bank has a direct or indirect financial interest shall be on comparable terms to similar transactions with non-insiders or, in the absence of comparable non-insider transactions, shall be on terms that in good faith would be offered to non-insiders. The Bank shall maintain documentation to support its determination that any such transaction complies with this restriction;

(v) Board minutes shall document when conflicts of interest are identified, record abstentions from voting and participating in discussions, and record any other actions taken to resolve the conflict of interest; and

(vi) All directors, officers and employees shall annually attest, in writing, that they have complied with the requirements of the policy.

(b) A copy of the policy required by this paragraph shall be submitted to the Regional Director and the Division for review and comment. Within 30 days of receipt of any comments from the Regional Director or the Division the Bank shall incorporate any changes required by the Regional Director or the

Division and thereafter adopt, implement, and adhere to the plan.

COMPLIANCE WITH ORDER

21. (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.

NOTIFICATION TO SHAREHOLDERS

22. 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; or (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 17<sup>th</sup> Street, N.W., Washington, D.C. 20429 and to the Division, 500 Monroe Street, 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.

#### PROGRESS REPORTS

23. 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.

The effective date of this ORDER shall be 10 calendar days after the date of 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: June 25, 2009.

\_\_\_\_\_/s/\_\_\_\_\_  
M. Anthony Lowe  
Regional Director  
Chicago Regional Office  
Federal Deposit Insurance  
Corporation

\_\_\_\_\_/s/\_\_\_\_\_  
Jorge A. Solis  
Director, Division of Banking  
Illinois Department of  
Financial and Professional  
Regulation