FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

AND

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

In the Matter of FIRST DUPAGE BANK Westmont, Illinois (ILLINOIS CHARTERED INSURED NONMEMBER BANK)	ORDER TO CEASE AND DESIST FDIC-08-387b 2008-DB-79

First DuPage Bank, Westmont, 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 21, 2009, whereby, solely for the purpose of this proceeding and without admitting or denying the charges of unsafe or unsound banking practices, 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. 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 safety and soundness of the Bank.

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

C) Engaging in unsatisfactory lending and collection practices, including, but not limited to, extending credit with inadequate diversification of risk.

D) Operating with an excessive level of adversely classified loans.

E) Operating in such a manner as to produce low earnings.

F) Operating with an inadequate allowance for loan and leases losses for the volume, kind and quality of loans and leases held.

G) Operating with inadequate levels of liquidity.

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

1. (a) During the life of this ORDER, the Bank shall have and thereafter retain qualified management. Each member of management shall have the qualifications and experience commensurate with his or her duties and responsibilities at the Bank. Each member of management shall be provided appropriate written authority from the Bank's board of directors to implement the provisions of this ORDER.

(b) 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 and regulations; and

(iv) restore all aspects of the Bank to a safe and sound condition, including asset quality, capital adequacy, earnings, management effectiveness, liquidity, and sensitivity to market risk.

(c) During the life of this ORDER, the Bank shall notify the Regional Director of the Chicago Regional Office of the FDIC ("Regional Director") and the Division in writing of any changes in any of the Bank's directors or senior executive officers. For purposes of this ORDER, "senior executive officer" is defined as in section 32 of the Act ("section 32"), 12 U.S.C. § 1831(i), and section 303.101(b) of the FDIC Rules and Regulations, 12 C.F.R. § 303.101(b), and includes any person identified by the FDIC and the Division, whether or not hired as an employee, with significant influence over, or who participates in, major policymaking decisions of the Bank.

(d) 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 comply with the requirements of section 32 and Subpart F of Part 303 of the FDIC Rules and Regulations, 12 C.F.R. §§ 303.100-303.104. Further, the Bank shall request and obtain the Division's written approval prior to the addition of any individual to the board of directors and the employment of any individual as a senior executive officer.

2. (a) Within ninety (90) days from the effective date of this ORDER, the Bank shall have, and thereafter, during the life of this ORDER, the Bank shall maintain its level of Tier 1 capital as a percentage of its total assets ("capital ratio") at a minimum of at least 9.0 percent, and its level of qualifying total capital as a percentage of risk-weighted assets ("Total risk based capital ratio") at a minimum of at least 13.0 percent. For purposes of this ORDER, Tier 1 capital, qualifying total capital, total assets, and risk-weighted assets shall be calculated in accordance with Part 325 of the FDIC Rules and Regulations ("Part 325"), 12 C.F.R. Part 325.

(b) Any such increase in Tier 1 or Total Risk-based capital may be accomplished by the following:

(i) The sale of common stock and noncumulative perpetual preferred stock constituting Tier 1 capital under Part 325; or

(ii) The elimination of all or part of the assets classified "Loss" in the Joint Report of Examination as of November 10, 2008, without loss or liability to the Bank, provided any such collection on a partially charged-off asset shall first be applied to that portion of the asset which was not charged off pursuant to this ORDER; or

(iii) The collection in cash of assets previously charged off; or

(iv) The direct contribution of cash by the directors and/or the shareholders of the Bank; or

(v) Any other means acceptable to the Regional Director and the Division; or

(vi) Any combination of the above means.

(c) If all or part of any increase in capital required by this paragraph is to be accomplished 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 17th Street, N.W., Washington, D.C. 20429 and to Scott D. Clarke, Assistant Director, Division of Banking, 122 South Michigan Avenue, Suite 2000, Chicago, Illinois 60603, 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.

(d) 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.

(e) The capital ratio analysis required by this paragraph shall not negate the responsibility of the Bank and its board of directors for maintaining throughout the year an adequate level of capital protection for the kind, quality and degree of market depreciation of assets held by the Bank.

3. (a) Within sixty (60) days from the effective date of this ORDER, the Bank shall develop, adopt and implement a written plan to reduce the Bank's risk position in the adversely classified loans identified in the Joint Report

of Examination as of November 10, 2008 (“ROE”), with relationship balances in excess of $1,000,000. In developing such plan, the Bank shall, at a minimum:

(i) Review the financial position of each such borrower, including source of repayment, repayment ability, and alternative repayment sources;

(ii) Evaluate the available collateral for each such credit, including possible actions to improve the Bank’s collateral position; and

(iii) Prohibit the 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.

(b) Such plan shall include, but not be limited to:

(iv) Specific strategies to reduce each asset within six months and twelve months from the effective date of this ORDER; and

(v) 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.

(c) 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.

(d) The plan shall be in a form and manner acceptable to the Regional Director and Division as determined at subsequent examinations and/or visitations.

4. Within ten (10) days from the effective date of this ORDER, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss" in the ROE that have not been previously collected or charged-off. Elimination or reduction of these assets with the proceeds of other Bank extensions of credit is not considered collection for the purpose of this paragraph.

5. (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" 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 placed in the appropriate loan file and shall be incorporated in the minutes of the applicable board of directors' meeting.

6. (a) Within 30 days of the effective date of this ORDER, the Bank shall determine specific limitations on concentrations of credit as a percentage of the Bank's Tier 1 capital to be implemented and adhered to by the Bank with respect to individual categories of credit described in the ROE. The limitations shall be acceptable to the Regional Director and the Division.

(b) Within 60 days from the effective date of this Order, the Bank shall formulate and submit to the

Regional Director and Division a written plan to reduce concentrations of credit which exceed the limitations determined in subparagraph 6(a) for any category of credit described in the ROE. Such plan shall prohibit any additional advances that would increase the concentrations or create new concentrations and shall include, but not be limited to:

(i) Specific strategies to reduce the concentrations within six and twelve months from the effective date of this Order; and

(ii) 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.

(c) Within 30 days from the receipt of any comments from the Regional Director and the Division, and after the adoption of any recommended changes, the board of directors shall approve the written plan and any subsequent modification thereto, which approval shall be recorded in the minutes of a board of directors’ meeting. Thereafter, the Bank shall implement and adhere to the written plan.

7. (a) Prior to submission or publication of all Reports of Condition and Income required by the FDIC after the effective date of this ORDER, the board of directors of the Bank shall review the adequacy of the Bank’s allowance for loan and lease losses (“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) Throughout the duration of this ORDER, the Bank shall maintain an ALLL in accordance with the Interagency Policy Statement on the Allowance for Loan and Lease Losses.

(c) ALLL entries required by this paragraph shall be made prior to any Tier 1 capital determinations required by this ORDER.

8. (a) Within ninety (90) days from the effective date of this ORDER, the Bank shall formulate, adopt and implement a written profit plan and a realistic,

comprehensive budget for all categories of income and expense for calendar year 2010. Thereafter, for every calendar year during the life of this ORDER, the Bank shall prepare a written profit plan and a realistic, comprehensive budget for all categories of income and expense and shall complete each plan and budget at least 30 days prior to the beginning of the applicable calendar year. 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. A copy of each such plan and budget shall be submitted to the Regional Director and Division upon its completion.

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

(i) Realistic growth and margin assumptions;

(ii) Realistic core deposit growth projections and strategies associated therewith;

(iii) Maintenance of an adequate Allowance for Loan and Lease Losses ("ALLL"); and

(iv) Clear assignment of responsibilities for implementing the written profit plan.

(c) Within thirty (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, 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) The plan shall be in a form and manner acceptable to the Regional Director and Division as determined at subsequent examinations and/or visitations.

9. Within sixty (60) days from the effective date of this ORDER, the Bank shall formulate and adopt, and forward to the Regional Director and the Division, a plan for improving liquidity. The Plan shall be in a form and manner acceptable to the Regional Director and Division as determined at subsequent examinations and/or visitations.

The Plan shall include, but not be limited to the following:

(a) strategies to maintain acceptable liquidity levels:

(b) a plan to increase funding sources to replace maturing brokered deposits; and

(c) a detailed contingency liquidity plan outlining possible sources of funds to be utilized when the Bank’s liquidity ratio falls below acceptable levels.

10. 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.

11. (a) 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 reviewed and approved by the Bank’s board of directors, detailing the actions taken to secure compliance with the ORDER and the results thereof.

(b) 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.

12. 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 17th Street, N.W., Washington, D.C. 20429 and to Scott D. Clarke, Assistant Director, Division of Banking, 122 South Michigan Avenue, Suite 2000, Chicago, Illinois 60603, 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.

The effective date of this ORDER shall be 10 calendar days after 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 16, 2009.

/s/	/s/
M. Anthony Lowe Regional Director Chicago Regional Office Federal Deposit Insurance Corporation	Jorge A. Solis Director Division of Banking Illinois Department of Financial and Professional Regulation