FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

In the Matter of	)	ORDER TO CEASE AND DESIST
FIRST BANKAMERICANO ELIZABETH, NEW JERSEY	)	FDIC-09-235b
(Insured State Nonmember Bank)	)	

First BankAmericano, Elizabeth, New Jersey ("Bank"), through its board of directors, having been advised of its right to the issuance and service of 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 alleged 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") with counsel for the Federal Deposit Insurance Corporation ("FDIC") dated June 8, 2009, whereby, solely for the purpose of this proceeding and without admitting or denying the alleged charges of unsafe or unsound banking practices, 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. The FDIC, therefore, accepts the CONSENT AGREEMENT and issues the following:

ORDER TO CEASE AND DESIST

IT IS 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:

1. Operating the Bank without adequate supervision and direction by the Bank's board of directors over the management of the Bank to prevent unsafe or unsound banking practices.
2. Operating the Bank with an inadequate level of capital protection for the kind and quality of assets held by the Bank.
3. Operating the Bank with an excessive level of adversely classified loans or assets.
4. Operating the Bank with an excessive level of delinquent loans.
5. Operating the Bank with an excessive level of nonaccrual loans.
6. Operating the Bank with an inadequate allowance for loan and lease losses for the volume, type and quality of loans and leases held.
7. Operating the Bank with inadequate earnings.
8. Operating the Bank without adequate liquidity or proper regard for funds management in light of the Bank's asset and liability mix.
9. Operating the Bank with excessive level of interest rate risk.
10. Operating the Bank with inadequate information technology policies and procedures.

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

MANAGEMENT

1. (a) The Bank shall have and retain qualified management. Each member of management shall possess qualifications and experience commensurate with his or her duties and responsibilities at the Bank. The qualifications of management personnel shall be evaluated on their ability to:

(1) comply with the requirements of this ORDER;

(2) operate the Bank in a safe and sound manner;

(3) comply with applicable laws and regulations; and

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

(b) While this ORDER is in effect, the Bank shall notify the Regional Director in writing of any changes in management within 15 days of the event. The Bank shall also establish procedures to ensure compliance with section 32 of the Act, 12 U.S.C. § 1831i, and Subpart F of Part 303 of the FDIC Rules and Regulations, 12 C.F.R. Part 303. The notification must include a description of the background(s) and experience of any proposed replacement personnel and must be received at least 30 days prior to the individual(s) assuming the new position(s).

MANAGEMENT – BOARD SUPERVISION

2. Within 30 days after the effective date of this ORDER, the Bank's board of directors shall increase its participation in the affairs of the Bank by assuming full responsibility for the approval of the Bank's policies and objectives and for the supervision of the Bank's management, including all the Bank's activities. The board's participation in the Bank's affairs

shall continue to include, at a minimum, monthly meetings in which the following areas shall be reviewed and approved by the board: reports of income and expenses; new, overdue, renewed, insider, charged-off, delinquent, nonaccrual, and recovered loans; investment activities; operating policies; and individual committee actions. The Bank's board of directors' minutes shall document the board's reviews and approvals, including the names of any dissenting directors.

CAPITAL INCREASE AND MAINTENANCE

3. (a) On or before July 29, 2009, and at all times thereafter while this ORDER is in effect, the Bank, after establishing an adequate Allowance for Loan and Lease Losses, shall increase and maintain its Tier 1 capital to total assets ratio ("Leverage Ratio") equal to or greater than 10 percent. Any increase necessary to meet this capital ratio may be accomplished by:

(1) the sale of new securities in the form of common stock; or

(2) the direct contribution of cash by the Bank's board of directors and/or parent holding company; or

(3) any other method approved by the Regional Director of the FDIC's New York Regional Office ("Regional Director").

(b) If said Leverage Ratio is less than the percentage required by this ORDER, as determined as of the date of any Report of Condition and Income or at an examination by the FDIC, the Bank shall, within 30 days after receipt of a written notice of the capital deficiency from the Regional Director, present to the Regional Director a plan to increase the Bank's Leverage Ratio or to take other measures to bring the Leverage Ratio to the percentage required by this ORDER. After the Regional Director responds to the plan, the

Bank's board of directors shall adopt the plan, including any modifications or amendments requested by the Regional Director.

(c) Thereafter, to the extent such measures have not previously been initiated, the Bank shall immediately initiate measures detailed in the plan, to increase its Leverage Ratio by an amount sufficient to bring it to the percentage required by this ORDER within 60 days after the Regional Director responds to the plan.

(d) If all or part of the increase in Tier 1 capital required by this ORDER is to be accomplished by the sale of new securities, the Bank's board of directors shall adopt and implement a plan for the sale of such additional securities, including soliciting proxies and the voting of any shares or proxies owned or controlled by them in favor of the plan. Should the implementation of the plan involve a public distribution of the Bank's securities (including a distribution limited only to the Bank's existing shareholders), the Bank shall prepare 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 any 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 plan and any materials used in the sale of the securities shall be submitted to the FDIC, Accounting and Securities Disclosure Section, 550 17th Street, N.W.,Washington, D.C. 20429, for review. Any changes requested to be made in the plan or the materials by the FDIC shall be made prior to their dissemination. If the increase in Tier 1 Capital is to be provided by the sale of noncumulative perpetual preferred stock, then all terms and conditions of the issue shall be presented to the Regional Director for prior approval.

(e) In complying with the provisions of this ORDER and until such time as any such public offering is terminated, the Bank shall provide to any subscriber and/or purchaser of the Bank's securities written notice of any planned or existing development or other change which is materially different from the information reflected in any offering materials used in connection with the sale of the Bank's securities. The written notice required by this paragraph shall be furnished within 10 days after the date such material development or change was planned or occurred, whichever is earlier, and shall be furnished to every purchaser and/or subscriber who received or was tendered the information contained in the Bank's original offering materials.

(f) In addition, the Bank shall comply with the FDIC's Statement of Policy on Risk-Based Capital found in Appendix A to Part 325 of the FDIC Rules and Regulations, 12 C.F.R. Part 325, App. A.

(g) For purposes of this ORDER, all terms relating to capital shall have the meanings ascribed to them and be calculated according to the methodology set forth in Part 325 of the FDIC Rules and Regulations, 12 C.F.R. Part 325.

ALLOWANCE FOR LOAN AND LEASE LOSSES

4. Within 30 days after the effective date of this ORDER, the Bank shall make provisions to its Allowance for Loan and Lease Losses ("ALLL") in an amount equal to those loans required to be charged off by this ORDER in the amount of at least $5 million. The allowance should be funded by charges to current operating income, and should be calculated in accordance with generally accepted accounting standards and ALLL supervisory guidance. After the initial provision is made, the Bank shall thereafter maintain a reasonable ALLL. Prior to the end of each calendar quarter, the Bank's board of directors shall review the adequacy of the Bank's ALLL. Such reviews shall include, at a minimum, the Bank's loan loss experience,

an estimate of potential loss exposure in the portfolio, trends of delinquent and nonaccrual loans and prevailing and prospective economic conditions. The minutes of the Bank's board of directors' meetings at which such reviews are undertaken shall include complete details of the reviews and the resulting recommended increases in the ALLL.

CLASSIFIED ASSETS - CHARGE-OFF AND PLAN FOR REDUCTION

5. (a) Within 30 days after the effective date of this ORDER, the Bank shall, to the extent that it has not previously done so, eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss" by the FDIC as a result of the March 16, 2009 examination of the Bank. Elimination or reduction of these assets through proceeds of loans made by the Bank shall not be considered "collection" for the purpose of this paragraph.

(b) Within 30 days after the effective date of this ORDER, the Bank shall submit a written plan to the Regional Director to reduce the remaining assets classified "Doubtful" and "Substandard" as a result of the March 16, 2009 examination of the Bank. The plan shall address each asset so classified with a balance of $250,000 or greater and provide the following:

(1) the name under which the asset is carried on the books of the Bank;

(2) type of asset;

(3) actions to be taken in order to reduce the classified asset; and

(4) timeframes for accomplishing the proposed actions.

The plan shall also include, at a minimum:

(1) a review of the financial position of each such borrower, including the source of repayment, repayment ability, and alternate

repayment sources; and

(2) an evaluation of the available collateral for each such credit, including possible actions to improve the Bank's collateral position.

In addition, the Bank's plan shall contain a schedule detailing the projected reduction of total classified assets on a quarterly basis. Further, the plan shall contain a provision requiring the submission of monthly progress reports to the Bank's board of directors and a provision mandating a review by the Bank's board of directors.

(c) The Bank shall present the plan to the Regional Director for review. Within 30 days after the Regional Director's response, the plan, including any requested modifications or amendments shall be adopted by the Bank's board of directors which approval shall be recorded in the minutes of the meeting of the Bank's board of directors. The Bank shall then immediately initiate measures detailed in the plan to the extent such measures have not been initiated.

(d) For purposes of the plan, the reduction of adversely classified assets shall be detailed using quarterly targets expressed as a percentage of the Bank's Tier 1 Capital plus the Bank's Allowance for Loan and Lease Losses and may be accomplished by:

(1) charge-off;

(2) collection;

(3) sufficient improvement in the quality of adversely classified assets so as to warrant removing any adverse classification, as determined by the FDIC; or

(4) increase in the Bank's Tier 1 Capital.

(e) While this ORDER is in effect, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss" as determined at any future examination conducted by the FDIC.

RESTRICTION ON ADVANCES TO CLASSIFIED BORROWERS

6. (a) While this ORDER is in effect, the Bank shall not extend, directly or indirectly, any additional credit to or for the benefit of any borrower whose existing credit has been classified Loss by the FDIC as the result of its examination of the Bank, either in whole or in part, and is uncollected, or to any borrower who is already obligated in any manner to the Bank on any extension of credit, including any portion thereof, that has been charged off the books of the Bank and remains uncollected. The requirements of this paragraph shall not prohibit the Bank from renewing credit already extended to a borrower after full collection, in cash, of interest due from the borrower.

(b) While this ORDER is in effect, the Bank shall not extend, directly or indirectly, any additional credit to or for the benefit of any borrower whose extension of credit is classified Doubtful and/or Substandard by the FDIC as the result of its examination of the Bank, either in whole or in part, and is uncollected, unless the Bank's board of directors has signed a detailed written statement giving reasons why failure to extend such credit would be detrimental to the best interests of the Bank. The statement shall be placed in the appropriate loan file and included in the minutes of the applicable Bank's board of directors' meeting.

STRATEGIC PLAN

7. (a) Within 60 days after the effective date of this ORDER, the Bank shall revise and enhance its strategic plan to reflect 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.

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

(1) strategies for pricing policies and asset/liability management;

(2) plans for sustaining adequate liquidity, including back-up lines of credit to meet any unanticipated deposit withdrawals;

(3) goals for reducing problem loans;

(4) plans for attracting and retaining qualified individuals to fill vacancies in the lending and accounting functions;

(5) financial goals, including pro forma statements for asset growth, capital adequacy, and earnings;

(6) formulation of a mission statement and the development of a strategy to carry out that mission.

(c) The Bank shall submit the strategic plan to the Regional Director 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 the Bank's board of directors' meeting. Thereafter, the Bank shall implement and follow the strategic plan.

(d) Within 30 days after the end of each calendar quarter following the effective date of this ORDER, the Bank's board of directors shall evaluate the Bank's 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 Bank's board of directors' meeting at which such evaluation is undertaken. A copy of the evaluation shall be submitted to the Regional Director.

(e) The strategic plan required by this ORDER shall be revised and submitted to the Regional Director for review and comment 30 days after the end of each calendar year for which this ORDER is in effect. Within 30 days after receipt of all such comments from the Regional Director and after consideration of all such comments, the Bank shall approve the revised plan, which approval shall be recorded in the minutes of the Bank's board of directors' meeting. Thereafter, the Bank shall implement the revised plan.

INFORMATION TECHNOLOGY

8. (a) Within 60 days after the effective date of this ORDER, the Bank shall implement its Information Security Program that meets the Guidelines Establishing Standards for Safeguarding Customer Information as described in Part 364, Appendix B, of the FDIC Rules and Regulations, 12 C.F.R. Part 364, App. B. The Bank's board of directors shall also appoint an Information Security Officer responsible for implementation and ongoing maintenance of the program, which shall include customer information and vendor risk assessments, strategies for mitigating risks, appropriate information security controls, employee training, regular testing of controls, and annual review of compliance by the Bank's board of directors.

(b) Within 90 days after the effective date of this ORDER, the Bank shall enhance its Disaster Recovery Plan and Recovery Procedures following the format detailed in the Federal Financial Institutions Examination Council's Business Continuity Planning Information Technology Examination Handbook. The Bank's board of directors shall approve the plans and ensure that they are communicated to appropriate personnel. A full and complete test of the plans shall be conducted with the testing scope and results documented and reported to the Bank's board of directors. The plan shall be tested annually thereafter.

(c) Within 60 days after the effective date of this ORDER, the Bank's board of directors shall ensure that all other information technology deficiencies cited by the FDIC as a result of its March 16, 2009 examination of the Bank are corrected, or document its best efforts to ensure that such deficiencies are corrected.

COMPLIANCE COMMITTEE

9. (a) Within 30 days after the effective date of this ORDER, the Bank's board of directors shall charge the compliance committee of the board of directors with the responsibility of ensuring that the Bank complies with the provisions of this ORDER. The compliance committee shall report monthly to the entire board of directors of the Bank, and a copy of the report and any discussion related to the report or the ORDER shall be included in the minutes of the Bank's board of directors' meeting. Nothing contained herein shall diminish the responsibility of the entire board of directors of the Bank to ensure compliance with the provisions of this ORDER.

PROGRESS REPORTS

10. Within 30 days after the end of each calendar quarter following the effective date of this ORDER, the Bank shall furnish written progress reports to the Regional Director detailing the actions taken to secure compliance with this ORDER and the results thereof. Such reports may be discontinued when the corrections required by this ORDER have been accomplished and the Regional Director has released, in writing, the Bank from making further reports.

SHAREHOLDERS

11. After the effective date of this ORDER, the Bank shall send a copy of this ORDER, or otherwise furnish a description of this ORDER, to its parent holding company in conjunction with the Bank's next shareholder communication. The description shall fully describe the ORDER in all material respects.

ORDER EFFECTIVE

This ORDER shall be binding upon the Bank, its successors and assigns, and all institution-affiliated parties of the Bank. 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 shall have been modified, terminated, superseded, or set aside in writing by the FDIC.

This ORDER will become effective upon the date of issuance by the FDIC.

Pursuant to delegated authority.

Dated this 19th day of June, 2009.

/s/
John M. Lane
Acting Regional Director
New York Region
Division of Supervision and Consumer Protection
Federal Deposit Insurance Corporation