FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of GWINNETT COMMUNITY BANK DULUTH, GEORGIA (Insured State Nonmember Bank)	))))))))	ORDER TO CEASE AND DESIST FDIC-09-223b

GWINNETT COMMUNITY BANK, DULUTH, GEORGIA ("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 of the Federal Deposit Insurance Corporation ("FDIC") and the Commissioner (the "Commissioner") for the State of Georgia, Department of Banking and Finance (the "Department"), dated August 28, 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 and the Commissioner. The Commissioner may issue an order to cease and desist pursuant to Official Code of Georgia Annotated § 7-1-91 (1985).

The FDIC and the Commissioner considered the matter and determined that they have reason to believe that the Bank has engaged in unsafe or unsound banking practices and has committed violations of law and/or regulations. The FDIC and the Commissioner, 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 such 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 and violations of law and/or regulations:

(a) Operating with a board of directors ("Board") that has failed to provide adequate supervision and direction to the management of the Bank;

(b) Operating with inadequate management whose polices and practices are detrimental to the Bank and jeopardize the safety of its deposits;

(c) Operating with inadequate equity capital in relation to the volume and quality of assets held by the Bank;

(d) Violating regulations described on pages 9 and 10 of the FDIC Report of Examination dated February 23, 2009 ("Report");

(e) Operating with an excessive volume of adversely classified and special mention assets;

(f) Operating with an inadequate allowance for loan and lease losses ("ALLL");

(g) Operating with an ineffective loan review and grading program;

(h) Operating with inadequate loan policies and following hazardous lending practices;

(i) Operating with inadequate liquidity and funds management in light of the Bank's asset and liability mix;

(j) Operating with a business strategy that has resulted in unprofitable operations and poor asset quality; and

(k) Operating with inadequate policies and procedures to monitor and control risks associated with concentrations of credit in the Bank's loan portfolio.

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

<u>DIRECTORS</u>

1. (a) Immediately upon the effective date of this ORDER, the Board 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: capital adequacy; liquidity; classified and criticized assets; reports of income and expenses; new, overdue, renewal, insider, charged-off, and recovered loans; investment activity; operating policies; and individual committee actions. Board minutes shall document these reviews and approvals, including the names of any dissenting directors.

(b) Within 30 days from the effective date of the ORDER, the Board shall establish a Board committee ("Directors' Committee"), consisting of at least five members, to oversee the Bank's compliance with the ORDER. A majority of the members of the Directors' Committee shall not be officers of the Bank. The Directors' Committee shall receive from Bank management monthly reports regarding the Bank's actions with respect to compliance with this ORDER. The Directors' Committee shall present a report regarding the Bank's adherence to the ORDER to the Board at each regularly scheduled Board meeting. Such report shall be recorded in appropriate minutes of the Board's meeting and shall be retained in the Bank's records. Establishment of this committee does not in any way diminish the responsibility of the entire Board to ensure compliance with the provisions of this ORDER.

MANAGEMENT

2. Within 60 days from the effective date of this ORDER, the Bank shall have and retain qualified management.

(a) 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 Board to implement the provisions of this ORDER. At a minimum management shall include:

(i) A chief executive officer with proven ability in managing a bank of comparable size and in effectively implementing lending, investment, and operating policies in accordance with sound banking practices;

(ii) A chief financial officer with demonstrated ability in all financial areas including but not limited to, accounting, regulatory reporting, budgeting and planning, management of the investment function, liquidity management and interest rate risk management; and

(iii) A senior lending officer with a significant amount of appropriate lending, collection, loan supervision and loan work-out experience for the type and quality of the Bank's loans, and experience in upgrading a low quality loan portfolio.

(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, but not limited to, asset quality, capital adequacy, earnings, liquidity, management effectiveness, risk management, and sensitivity to market risk.

(c) During the life of this ORDER, the Bank shall provide written notice to the Regional Director ("Regional Director") of the FDIC and the Commissioner (collectively, "Supervisory Authorities") when it proposes to add any individual to the Bank's Board or employ any individual as a senior executive officer as that term is defined in Part 303 of the FDIC's Rules and Regulations, 12 C.F.R. § 303.101. The notification to the Supervisory Authorities shall comply with the requirements set forth in 12 C.F.R. Part 303, Subpart F. The notification should include a description of the background and experience of the individual or individuals to be added or employed and must be received at least 60 days before such addition or employment is intended to become effective. If the Regional Director issues a notice of disapproval pursuant to section 32 of the Act, 12 U.S.C. § 1831i, with respect to any proposed individual, then such individual may not be added or employed by the Bank.

CAPITAL

3. (a) Within 60 days from the effective date of this ORDER, the Bank shall develop and adopt a capital plan that requires the maintenance of Tier 1 capital in such an amount as to equal or exceed 8 percent of the Bank's total assets and total risk-based capital in such an amount as to equal or exceed 10 percent of the Bank's total risk-weighted assets. Thereafter, the Bank shall maintain Tier 1 capital and total risk based capital ratios equal to or exceeding 8 percent and 10 percent, respectively, during the life of this ORDER.

(b) Within 30 days from the effective date of this ORDER, the Bank shall develop and adopt a plan to meet the minimum risk-based capital requirements for a well-capitalized bank, as described in the FDIC Statement of Policy on Risk-Based Capital contained in Appendix A to Part 325 of the FDIC's Rules and Regulations, 12 C.F.R. Part 325, Appendix A. The Plan shall be in a form and manner acceptable to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

(c) The level of Tier 1 capital and total risk-based capital to be maintained during the life of this ORDER pursuant to this paragraph shall be in addition to a fully funded ALLL, the adequacy of which shall be satisfactory to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

(d) Any increase in Tier 1 capital and total risk based capital necessary to meet the requirements of this paragraph of the ORDER may not be accomplished through a deduction from the Bank's ALLL. For purposes of this ORDER, the terms "Tier 1 capital", "total risk based capital", and "total assets" shall have the meaning ascribed to them in Part 325 of the FDIC's Rules and Regulations, 12 C.F.R. Part 325.

DIVIDENDS

4. While this ORDER is in effect, the Bank shall not declare or pay any cash dividends without the prior written approval of the Supervisory Authorities.

REDUCTION OF CONCENTRATIONS OF CREDIT

5. 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 Bank. Concentrations should be identified by product type, geographic distribution, underlying collateral, or other asset

groups which are considered economically related and in the aggregate represent a large portion of the Bank's Tier 1 Capital. A copy of this analysis shall be provided to the Supervisory Authorities. The Board shall develop a plan to reduce any segment of the portfolio which the Supervisory Authorities deem to be an undue concentration of credit in relation to the Bank's Tier 1 Capital. The plan and its implementation shall be in a form and manner acceptable to the Supervisory Authorities.

CHARGE-OFF

6. (a) Within 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" 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 Supervisory Authorities. If an asset classified "Doubtful" 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". Elimination of any of these through proceeds of other loans made by the Bank is not considered collection by purposes of this paragraph.

(b) Additionally, while this ORDER remains in effect, the Bank shall, within 10 days from the receipt of any official Report of Examination of the Bank from the FDIC or the Department, eliminate from its books, by collection, charge-off, or other proper entries, the remaining balance of any asset classified "Loss" and 50 percent of those classified "Doubtful" unless otherwise approved in writing by the Supervisory Authorities.

ALLOWANCE FOR LOAN AND LEASE LOSSES

7. Within 60 days from the effective date of this ORDER, the Board shall review the adequacy of the ALLL and ensure the Bank's written policy for determining the adequacy of the ALLL is 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 shall be completed within 21 days of 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. The review shall 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 in the calendar quarter it is discovered, prior to submitting the Reports of Condition and Income by a charge to the 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 ALLL and its implementation shall be satisfactory to the Supervisory Authorities.

REDUCTION OF ADVERSELY CLASSIFIED ASSETS

8. (a) Within 60 days from the effective date of this ORDER, the Bank shall formulate a written plan to reduce the Bank's risk exposure in each asset, or relationship in excess of $750,000 classified "Substandard" or "Doubtful" in the Report. For purposes of this provision, "reduce" means to collect, charge off, or improve the quality of an asset so as to warrant its removal from adverse classification by the Supervisory Authorities. In developing the plan mandated by this paragraph, the Bank shall, at a minimum, and with respect to each adversely classified loan or lease, review, analyze, and document the financial position of the borrower, including source of repayment, repayment ability, and alternative repayment sources, as well as the value and accessibility of any pledged or assigned collateral, and any possible actions to improve the Bank's collateral position.

(b) In addition, the plan mandated by this provision shall also include, but not be limited to, the following:

(i) A quarterly schedule for reducing the outstanding dollar amount of adversely classified assets including timeframes for achieving the reduced dollar amounts (at a minimum, the schedule for each adversely classified asset must show its expected dollar balance on a quarterly basis);

(ii) A schedule showing, on a quarterly basis, the expected consolidated balance of all adversely classified assets, and the ratio of the consolidated balance to the Bank's projected Tier 1 capital plus the ALLL;

(iii) A provision for the Bank's submission of monthly written progress reports to its Board; and

(iv) A provision mandating Board review of the progress reports, with a notation of the review recorded in the minutes of the meeting of the Board.

(c) The plan mandated by this provision shall further require a reduction in the aggregate balance of assets classified "Substandard" and "Doubtful" in the Report in accordance with the following schedule:

(i) Within 180 days, a reduction of twenty-five percent (25%) in the balance of assets classified "Substandard" or "Doubtful."

(ii) Within 360 days, a reduction of forty-five percent (45) in the balance of assets classified "Substandard" or "Doubtful."

(i) Within 540 days, a reduction of sixty-five percent (65%) in the balance of assets classified "Substandard" or "Doubtful."

(ii) Within 720 days, a reduction of seventy-five percent (75%) in the balance of assets classified "Substandard" or "Doubtful."

(d) The requirements of this paragraph do not represent standards for future operations of the Bank. Following compliance with the above reduction schedule, the Bank shall continue to reduce the total volume of adversely classified assets. The plan may include a provision for increasing Tier 1 capital when necessary to achieve the prescribed ratio.

(e) Within 60 days of the effective date of this ORDER, the Bank shall submit the plan to the Supervisory Authorities for review and comment. Within 30 days from receipt of any comment from the Supervisory Authorities, and after due consideration of any recommended changes, the Bank shall approve the plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the plan. Such plan shall be monitored and progress reports thereon shall be submitted to the Supervisory Authorities at 90-day intervals concurrently with the other reporting requirements set forth in this ORDER.

SPECIAL MENTION ASSETS

9. Within 60 days from the effective date of this ORDER, the Bank shall develop a plan to correct all deficiencies in the assets listed as "Special Mention". The Bank shall immediately submit the plan to the Supervisory Authorities for review and comment. Within 30 days from receipt of any comment from the Supervisory Authorities, and after due consideration of any recommended changes, the Bank shall approve the plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the plan.

RESTRICTIONS ON ADVANCES TO ADVERSELY CLASSIFIED BORROWERS

10. (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 who has a loan or other extension of credit or obligation with the Bank that has been, in whole or in part, charged off or classified "Loss" or "Doubtful" and is uncollected. The requirements of this paragraph shall not prohibit

the Bank from renewing, after collecting in cash all interest and fees due from a borrower, any credit already extended to 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 loans are adversely classified by the Supervisory Authorities as "Substandard" or “Special Mention” and is uncollected.

(c) Subparagraph 10(b) shall not apply if the Bank's failure to extend further credit to a particular borrower would be detrimental to the best interests of the Bank. Prior to extending additional credit pursuant to this subparagraph 10, whether in the form of a renewal, extension, or further advance of funds, such additional credit shall be approved by the Bank's Board, or a designated committee thereof, who shall certify, in writing:

(i) Why failure of the Bank to extend such credit would be detrimental to the best interests of the Bank;

(ii) Why the extension of such credit would improve the Bank's position, including an explanatory statement of how the Bank’s position would improve;

(iii) That an appropriate workout plan has been developed and will be implemented in conjunction with the additional credit to be extended; and

(iv) The signed certification shall be made a part of the minutes of the Board meeting, or designated committee, with a copy retained in the borrower's credit file.

OTHER REAL ESTATE

11. (a) Within 60 days from the effective date of this ORDER, the Board shall develop a written policy for managing the Other Real Estate (“ORE”) of the Bank. At a minimum, the policy shall provide for:

(i) review of the ORE portfolio, at least quarterly, by a committee appointed by the Board ;

(ii) documentation that taxes and insurance premiums are paid in a timely manner;

(iii) resolution of documentation exceptions;

(iv) realistic and comprehensive budget for each parcel with a book value in excess of $100,000 including projections of the Bank's carrying costs (e.g., upkeep, repairs, and insurance costs) and projections of the marketing costs;

(v) independent appraisal of each parcel at the time of foreclosure and periodically thereafter (but no more than 12 months from the date of the prior appraisal report);

(vi) determination by the ORE committee that each parcel of ORE is listed with a real estate broker or otherwise made widely available for sale within an appropriate timeframe and at a realistic selling price;

(vii) periodic progress reports from each real estate broker marketing Bank ORE, including projected sales timeframes;

(viii) detailed report from the ORE committee to the Board at least quarterly, with a copy of the report, including documentation of the action taken to facilitate the timely sale of ORE, made part of the board minutes; and

(ix) requirements for accounting, documentation, resale terms and action plans for the orderly liquidation of ORE from the Bank's books.

(b) The Bank shall submit the policy to the Supervisory Authorities for review and comment. Within 30 days from receipt of any comment from the Supervisory Authorities and after due consideration of any recommended changes, the Bank shall approve the policy, which approval shall be recorded in the minutes of the board meeting. Thereafter, the Bank shall implement and fully comply with the policy.

VIOLATIONS OF REGULATION

12. Within 60 days from the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of regulation, which are more fully set out on pages 9 and 10 of the Report. In addition, the Bank shall take all necessary steps to ensure future compliance with all applicable laws, regulations, statements of policy, and regulatory guidance.

LENDING AND COLLECTION POLICIES

13. (a) Within 60 days from the effective date of this ORDER, the Bank shall review, revise and implement its written lending and collection policy to provide effective guidance and control over the Bank's lending function, including strengthening the underwriting, appraisal review, and loan-to-value reporting processes to conform with FDIC guidance and regulation. Such revised policies and their implementation shall address the criticisms enumerated on pages 7 and 8 of the Report and be in a form and manner acceptable to the Supervisory Authorities.

(b) The Board shall adopt procedures whereby officer compliance with the revised loan policy is monitored and responsibility for exceptions thereto assigned. The procedures adopted shall be reflected in the minutes of a Board meeting at which all members are present and the vote of each is noted.

LOAN REVIEW

14. Within 30 days from the effective date of the ORDER, the Board shall enhance its independent loan review program to provide for a periodic review of the Bank's loan portfolio

and the identification and categorization of problem credits. At a minimum, the program shall provide for:

(a) Prompt identification of loans with credit weaknesses that warrant the special attention of management, including the name of the borrower, amount of the loan, reason why the loan warrants special attention, and assessment of the degree of risk that the loan will not be fully repaid according to its terms;

(b) Action plans to reduce the Bank’s risk exposure from each identified relationship;

(c) Prompt identification of all outstanding balances and commitments attributable to each obligor identified under the requirements of subparagraph 14(a), including outstanding balances and commitments attributable to related interests of such obligors, including the obligor of record, relationship to the primary obligor identified under subparagraph 14(a), and an assessment of the risk exposure from the aggregate relationship;

(d) Identification of trends affecting the quality of the loan portfolio, potential problem areas, and action plans to reduce the Bank’s risk exposure;

(e) Assessment of the overall quality of the loan portfolio;

(f) Identification of credit and collateral documentation exceptions including loan covenant exceptions, and action plans to address the identified deficiencies;

(g) Identification and status of violations of laws and/or regulations with respect to the lending function and an action plan to address the identified violations;

(h) Identification of loans that are not in conformance with the Bank’s lending policy and action plans to address the deficiencies; and

(i) A mechanism for reporting periodically, but in no event less than quarterly, the information developed in subparagraphs 14(a) through 14(h) above to the Board.

The report should also describe the actions taken by management with respect to problem credits.

LIQUIDITY AND FUNDS MANAGEMENT

15. (a) Within 60 days from the effective date of this ORDER, management shall review and revise the Bank's plan addressing liquidity, contingent funding, and asset liability management. A copy of the revised plan shall be submitted to the Supervisory Authorities upon its completion for their review and comment. Within 30 days from the receipt of any comments from the Supervisory Authorities, the Bank shall incorporate any recommended changes. Thereafter, the Bank shall implement and follow the plan. Annually during the life of this ORDER, the Bank shall review this plan for adequacy and, based upon such review, shall make appropriate revisions to the plan that are necessary to strengthen funds management procedures and maintain adequate provisions to meet the Bank's liquidity needs.

(b) The initial plan shall include, at a minimum:

(i) A limitation on the ratio of the Bank's total loans to assets;

(ii) A limitation of the ratio of the Bank's total loans to funding liabilities;

(iii) Identification of a desirable range and measurement of dependence on non-core funding including brokered funds;

(iv) Establishment of lines of credit that would allow the Bank to borrow funds to meet depositor demands if the Bank's other provisions for liquidity proved inadequate;

(v) A requirement for retention of sufficient investments that can be promptly liquidated to ensure the maintenance of the Bank's liquidity posture at a level consistent with short-term and long-term objectives;

(vi) Establishment of contingency plans to restore liquidity to that amount called for in the Bank's liquidity policy; and

(vii) Establishment of limits for borrowing federal funds and other funds, including limits on dollar amounts, maturities, and specified sources/lenders.

PLAN FOR EXPENSES AND PROFITABILITY

16. (a) Within 60 days from the effective date of this ORDER, the Bank shall review and revised its written plan and a comprehensive budget for all categories of income and expense. 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, control overhead, and improve and sustain earnings of the Bank. The plan shall include a projected balance sheet and 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. The plan and budget required by paragraph 16(a) of this ORDER shall be acceptable to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

(b) 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 paragraph 167(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.

LENDING PRACTICES

17. (a) Within 60 days from the effective date of this ORDER, the Bank shall submit to the Supervisory Authorities specific plans and proposals to effect the correction of all loan

underwriting, loan administration, and loan portfolio management weaknesses detailed in the Report. At a minimum, these plans and proposals shall incorporate procedures:

(i) to address all loan underwriting weaknesses detailed on pages 7 and 8 of the Report;

(ii) to address construction loan inspection and disbursement procedures;

(iii) to address the appropriate use of interest reserves;

(iv) to ensure proper financial analysis of potential and existing credit relationships, including the documentation of cash flow for the primary and secondary sources of repayment;

(v) to evaluate the Bank's loan review and grading system and implement changes which shall:

a. ensure that loans are appropriately graded;

b. ensure that problem loans are accurately identified on a timely basis;

c. ensure that collateral and credit documentation deficiencies and policy exceptions are identified; and

d. ensure that the results of the loan review are communicated in writing to the Board and the Loan Committee;

(vi) to ensure that the bank's assessment of the adequacy of capital and the ALLL appropriately considers the loan review and grading system;

(vii) to revise the loan policy to include risk limits for industry and individual concentrations and procedures for monitoring and reporting such;

(viii) to require strict guidelines for out-of-territory loans, which, at a minimum, include an aggregate limitation of such loans, require complete credit documentation, and require approval by a majority of the Board prior to disbursement of funds, including a written explanation of why such loans are in the best interest of the Bank; and

(ix) to monitor officer compliance with the written loan policy and to assign responsibility for exceptions to the policy.

(b) Within 60 days from the effective date of this ORDER, the Bank shall review and revise its written loan policy to provide effective guidance, monitoring, and control over the Bank's acquisition, development, and construction ("ADC") lending function. The revised policy shall address the weaknesses related to the Bank's ADC lending activities, as detailed in the Report. Also, the revised policy shall provide for a planned material reduction in the volume of funded and unfunded ADC loans as a percentage of Tier 1 capital. Such revised policy shall be provided to the Supervisory Authorities for review and approval prior to implementation, and its implementation shall be in a form and manner acceptable to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

BROKERED DEPOSITS

18. (a) During the life of this ORDER, the Bank shall not accept, renew, or rollover brokered deposits without obtaining a brokered deposit waiver approved by the FDIC pursuant to section 29 of the Act, 12 U.S.C. § 1831f. Within 30 days of the effective date of this ORDER, the Bank shall submit to the Supervisory Authorities a written plan for eliminating its reliance on brokered deposits. The plan should contain details as the current composition of brokered deposits by maturity and explain the means by which such deposits will be paid or rolled over. The Supervisory Authorities shall have the right to reject the bank's plan. On the twenty-fifth day of each month, the Bank shall provide a written progress report to the Supervisory Authorities 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 as described in Section 337.6(a)(2) of the FDIC's Rules and Regulations, 12 C.F.R. § 337.6(a)(2) to include any deposits funded by third party agents or nominees for depositors, including depositors managed by a trustee or custodian when each individual beneficial interest is entitled to a right to federal deposit insurance.

(b) The Bank shall comply with the restrictions on the effective yields on deposits described in 12 C.F.R. § 337.6(b)(4).

PROGRESS REPORTS

19. Within 30 days of the end of the first calendar quarter following the effective date of *this* ORDER, and within 30 days of the end of each calendar quarter thereafter, the Bank shall furnish written progress reports to the Supervisory Authorities 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 Supervisory Authorities have released the Bank in writing from making further reports.

DISCLOSURE TO SHAREHOLDERS

20. Following the issuance of this ORDER, the Bank shall provide to its shareholders or otherwise furnish a description of this ORDER (i) in conjunction with the Bank's next shareholder communication or (ii) 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 Disclosure Section, 550 17th Street, N.W., Room F-6066, Washington, D.C. 20429 and to the Commissioner, Georgia Department of Banking and Finance, 2990 Brandywine Road,

Suite 200, Atlanta, Georgia 30341-5565, to review at least twenty (20) days prior to dissemination to shareholders. Any changes requested to be made by the FDIC and the Department shall be made prior to dissemination of the description, communication, notice, or statement.

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 Supervisory Authorities.

Pursuant to delegated authority.

Dated this 31st day of August, 2009.

/s/

Doreen Eberley
Acting Regional Director
Division of Supervision and Consumer Protection
Atlanta Region
Federal Deposit Insurance Corporation

The Georgia Department of Banking and Finance ("Department"), having duly approved the foregoing ORDER, and the Bank, through its Board, agree that the issuance of said ORDER by the FDIC shall be binding as between the Bank and the Georgia Commissioner of Banking and Finance to the same degree and to the same legal effect that such ORDER would be binding if the Department had issued a separate ORDER that included and incorporated all of the provisions of the foregoing ORDER, pursuant to Official Code of Georgia Annotated § 7-1-91(1985).

Dated this 31st of August, 2009.

________________/s/_________________
Robert M. Braswell
Commissioner
Department of Banking and Finance
State of Georgia