Oasis Bank, SSB, Houston, Texas (“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 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) 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 October 9, 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. A representative of the Texas Department of Savings and Mortgage Lending (“State”) concurred in the issuance of the CONSENT AGREEMENT.
The FDIC considered the matter and determined that it had reason to believe that the Bank had engaged in unsafe or unsound banking practices and had violated laws and/or regulations. The FDIC, therefore, accepted the CONSENT AGREEMENT and issued the following:

ORDER TO CEASE AND DESIST

IT IS ORDERED, that the Bank, institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), of the Bank and its successors and assigns, cease and desist from the following unsafe or unsound banking practices and violations of laws and/or regulations:

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 and unsound banking practices and violations of laws or regulations.

2. Operating the Bank with management whose policies and practices are detrimental to the Bank and jeopardize the safety of its deposits.

3. Operating the Bank without qualified and experienced management.

4. Operating the Bank with inadequate earnings to fund growth, support dividend payments and augment capital.

5. Operating the Bank without an adequate strategic plan.

6. Operating the Bank with an excessive level of interest rate risk.

7. Operating the Bank with a heavy reliance on short-term potentially volatile deposits as a source for funding longer-term investments.
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 an inadequate audit program.

10. Operating the Bank without proper administration and control over account overdrafts, including approval, collection, and loss recognition.

11. Operating the Bank in violation of applicable Federal and State laws and regulations and in contravention of FDIC Statements of Policy.

12. Operating the Bank without an Information Technology audit risk assessment.

13. Operating the Bank with a substandard Bank Secrecy Act (“BSA”) and Anti-Money Laundering (“AML”) compliance program.


15. Operating the Bank without adequate supervision and direction by the Bank’s board of directors over the management of the Bank in the consumer compliance area and to prevent unsafe and unsound banking practices.

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

**MANAGEMENT – BOARD SUPERVISION**

1. 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 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, non-accrual, and recovered loans; investment activities; operating reports including, but not limited to budget and funds management reports; 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.

**MANAGEMENT CLAUSE – STAFFING STUDY**

2. (a) Within 60 days after the effective date of this ORDER, the Bank shall retain a bank consultant acceptable to the Regional Director and the Commissioner. The consultant shall develop a written analysis and assessment of the Bank’s management and staffing needs (“Management Plan”) for the purpose of providing qualified management for the Bank.

(b) The Bank shall provide the Regional Director and the Commissioner with a copy of the proposed engagement letter or contract with the consultant for review before it is executed. The contract or engagement letter, at a minimum, should include:

1. A description of the work to be performed under the contract or engagement letter;

2. The responsibilities of the consultant;

3. An identification of the professional standards covering the work to be performed;

4. Identification of the specific procedures to be used when carrying out the work to be performed;
(5) The qualifications of the employee(s) who are to perform the work;

(6) The time frame for completion of the work;

(7) Any restrictions on the use of the reported findings; and

(8) A provision for unrestricted examiner access to work papers.

(c) The Management Plan shall be developed within 120 days after the effective date of this ORDER. The Management Plan shall include, at a minimum:

(1) Identification of both the type and number of officer positions needed to properly manage and supervise the affairs of the Bank;

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

(3) Evaluation of all Bank officers 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; and

(4) A plan to recruit and hire any additional or replacement personnel with the requisite ability, experience and other qualifications to fill those officer positions identified in the Management Plan.

(d) The Management Plan shall be submitted to the Regional Director and the Commissioner for review and comment upon its completion. Within 30 days from the receipt of any comments from the Regional Director and the Commissioner, and after the adoption of any recommended changes, the Bank shall approve the Management Plan, and record its approval in
the minutes of the board of directors’ meeting. Thereafter, the Bank, its directors, officers, and employees shall implement and follow the Management Plan and/or any subsequent modification.

**MANAGEMENT-SPECIFIC POSITION**

3. (a) Within 120 days after the effective date of this ORDER, the Bank shall have and retain qualified management. At a minimum, such management shall include:

1. A chief executive officer/president with a demonstrated ability in managing a bank of comparable size:
   a. Such person shall be provided the necessary written authority to implement the provisions of this ORDER.

The qualifications of Bank management shall be assessed on its 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 the pursuit of a more balanced funds management position, ensuring continued capital adequacy, improving earnings, improving management effectiveness, and improving liquidity.

(b) While this ORDER is in effect, the Bank shall notify the Regional Director and the Commissioner 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 303.101(b) of the FDIC’s Rules and Regulations, 12 C.F.R. § 303.101(b). 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 of the Act, 12 U.S.C. § 1831i, and Subpart F of Part 303 of the FDIC’s Rules and Regulations, 12 C.F.R. § 303.100 - 303.103.

**CAPITAL MAINTENANCE**

4. (a) While this ORDER is in effect, the Bank, after establishing an Allowance for Loan and Lease Losses, shall maintain its Tier 1 Leverage Capital ratio equal to or greater than 10 percent of the Bank’s Average Total Assets and shall maintain its Total Risk-Based Capital ratio equal to or greater than 12 percent of the Bank’s Total Risk Weighted Assets.

(b) If any such capital ratios are less than required by the ORDER, as determined at an examination by the FDIC or the State, the Bank shall, within 30 days after receipt of a written notice of the capital deficiency from the Regional Director or the Commissioner, present to the Regional Director and the Commissioner a plan (“Capital Plan”) to increase the Bank’s Tier 1 Capital of the Bank or to take such other measures to bring all the capital ratios to the percentages required by this ORDER. After the Regional Director and the Commissioner respond to the Capital Plan, the Bank’s board of directors shall adopt the Capital Plan, including any modifications or amendments requested by the Regional Director and the Commissioner.

(c) Thereafter, to the extent such measures have not previously been initiated, the Bank shall immediately initiate measures detailed in the Capital Plan, to increase its Tier 1 Capital by an amount sufficient to bring all the Bank’s capital ratios to the percentages required by this ORDER within 30 days after the Regional Director and the Commissioner respond to the
Capital Plan. Such increase in Tier 1 Capital and any increase in Tier 1 Capital necessary to meet the capital ratios required by this ORDER may be accomplished by:

1. The sale of securities in the form of common stock; or

2. The direct contribution of cash subsequent to May 26, 2009 by the directors and/or shareholders of the Bank or by the Bank’s holding company; or

3. Receipt of an income tax refund or the capitalization subsequent to May 26, 2009 of a bona fide tax refund certified as being accurate by a certified public accounting firm; or

4. Any other method approved by the Regional Director and the Commissioner.

(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, 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 non-cumulative perpetual preferred stock, then all terms and conditions of the issue shall be presented to the Regional Director and the Commissioner 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 20 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’s Rules and Regulations, 12 C.F.R. Part 325, App. A.

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

**DIVIDEND RESTRICTION**

5. 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 Commissioner.
STRATEGIC PLAN

6. (a) Within 60 days after the effective date of this ORDER, the Bank shall prepare and adopt a comprehensive strategic plan (“Strategic Plan”). The Strategic 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.

(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) Maintain good quality assets;

(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 and the Commissioner for review and comment. After consideration of all such comments, the Bank shall approve the Strategic 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.

    (e) The Strategic Plan required by this ORDER shall be revised and submitted
to the Regional Director and the Commissioner 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 the Commissioner and after consideration of all such
comments, the Bank shall approve the revised Strategic Plan, which approval shall be recorded
in the minutes of the Bank’s board of directors’ meeting. Thereafter, the Bank shall implement
the revised Strategic Plan.

**BUDGET AND PROFIT PLAN**

7. (a) Within 60 days after the effective date of this ORDER, the Bank shall
formulate and submit to the Regional Director and the Commissioner for review and comment a
written profit plan (“Profit Plan”) and a realistic, comprehensive budget for all categories of
income and expense for calendar years 2010 - 2011. The Profit Plan required by this paragraph
shall contain formal goals and strategies, be consistent with sound banking practices, reduce
discretionary expenses, improve the Bank’s overall earnings and net interest income, 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:

    (1) An analysis of the Bank’s pricing structure; and
(2) A recommendation for reducing the Bank’s overhead expenses and cost of funds.

(c) Within 30 days after the end of each calendar quarter following completion of the Profit Plan and budget required by this paragraph, the Bank’s board of directors shall evaluate the Bank’s actual performance in relation to the written Profit 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 when 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 and shall be submitted to the Regional Director and the Commissioner for review and comment within 30 days after the end of each year. Within 30 days after receipt of all such comments from the Regional Director and the Commissioner and after adoption of any recommended changes, the Bank shall approve the written Profit Plan and budget, which approval shall be recorded in the minutes of a board of directors’ meeting. Thereafter, the Bank shall implement and follow the Profit Plan.

**INTEREST RATE RISK**

8. Within 90 days after the effective date of the ORDER, the Bank shall develop, adopt, and implement an interest rate risk policy and procedures that shall include, at a minimum:

(1) Measures designed to control the nature and amount of interest rate risk the Bank takes including those that specify risk limits and defines lines of responsibilities and authority for managing risk;

(2) A system for identifying and measuring interest rate risk;
(3) A system for monitoring and reporting risk exposures; and

(4) A system of internal controls, review, and audit to ensure the integrity of the overall risk management process.

LIQUIDITY/ASSET/LIABILITY MANAGEMENT

9. (a) Within 60 days after the effective date of this ORDER, the Bank shall develop and submit to the Regional Director and the Commissioner for review and comment a written plan addressing liquidity, the Bank’s relationship of volatile liabilities to longer term assets, rate sensitivity objectives, and asset/liability management (“Liquidity and Asset/Liability Plan”). Annually thereafter, while this ORDER is in effect, the Bank shall review the Liquidity and Asset/Liability Plan for adequacy and, based upon such review, shall make necessary revisions to the Liquidity and Asset/Liability Plan to strengthen funds management procedures and to maintain adequate provisions to meet the Bank’s liquidity needs. The initial Liquidity and Asset/Liability Plan shall include, at a minimum, the following provisions:

(1) Establishing limitations on the total loan to total deposits ratio which, within 60 days after the effective date of this ORDER, shall be reduced to not more than 100 percent; within 120 days after the effective date of this ORDER, be reduced to not more than 90 percent. The requirements of this paragraph shall not be construed as standards for future operations, and the Bank’s total loan to total deposits ratio shall be monitored on a monthly basis and maintained at a level consistent with safe and sound banking practices;
(2) Establishing a reasonable range for its net non-core funding ratio as computed in the Uniform Bank Performance Report;

(3) Establishing lines of credit at correspondent banks, including the Federal Reserve Bank or the Federal Home Loan Bank Board, that would allow the Bank to borrow funds to meet depositor demands if the Bank’s other provisions for liquidity proved to be inadequate;

(4) Requiring the retention of securities and/or other identified categories of investments that can be liquidated within one day in amounts sufficient (as a percentage of the Bank’s total assets) to ensure the maintenance of the Bank’s liquidity posture at a level consistent with short- and long-term liquidity objectives;

(5) Establishing a minimum liquidity ratio and defining how the ratio is to be calculated;

(6) Establishing contingency plans by identifying alternative courses of action designed to meet the Bank’s liquidity needs;

(7) Addressing the use of borrowings (i.e., seasonal credit needs, match funding mortgage loans, etc.) and providing for reasonable maturities commensurate with the use of the borrowed funds; addressing concentration of funding sources to include specific limits on allowable funding channels (i.e., brokered deposits, internet deposits, Municipal Utility District deposits, Fed funds
purchased, and other correspondent borrowings); and addressing
pricing and collateral requirements; and

(8) Establishing procedures for managing the Bank’s sensitivity to
interest rate risk which comply with the Joint Agency Statement of
Policy on Interest Rate Risk (June 26, 1996), and the Supervisory
Policy Statement on Investment Securities and End-user Derivative
Activities (April 23, 1998).

(b) Within 30 days after the receipt of all such comments from the Regional
Director and the Commissioner, and after revising the Liquidity and Asset/Liability Plan as
necessary, the Bank shall adopt the Liquidity and Asset/Liability Plan, which adoption shall be
recorded in the minutes of a board of directors’ meeting. Thereafter, the Bank shall implement
the Liquidity and Asset/Liability Plan.

**ASSET/LIABILITY COMMITTEE**

10. The Bank’s Asset/Liability Committee (“ALCO”) shall take an active role in
monitoring the Bank’s liquidity and interest rate risk. The ALCO shall report monthly to the
Bank’s board of directors concerning the Bank’s liquidity and its interest rate risk.

**INTERNAL AUDIT PROGRAM**

11. Within 90 days after the effective date of this ORDER, the Bank’s board of
directors shall implement an effective program for internal audit. The audit program shall
provide procedures to test the validity and reliability of operating systems, procedural controls,
and resulting records, and shall comply with the Interagency Policy Statement on the Internal
Audit Function and its Outsourcing, FIL 21-2003. The internal auditor shall report quarterly to the Bank’s board of directors. The report and any comments made by the directors regarding the internal auditor’s report shall be noted in the minutes of the Bank’s board of directors’ meeting.

**OVERDRAFTS**

12. (a) Upon the effective date of this ORDER, the Bank shall not permit final payment of any demand item on any customer account that, when aggregated with all other overdrafts to that customer exceed or would exceed, directly or indirectly, $5,000, unless payment of the demand item has been reviewed and approved in advance by the Bank’s board of directors. The Bank’s board of directors’ review should include whether final payment of the demand item complies with the Bank’s loan policy regarding overdrafts. The Bank’s board of directors shall include in the minutes of the meeting where the review is undertaken, its conclusions, approvals, denials, recommendations, and reasons for the approval of any final payment that creates an overdraft that does not fully comply with the Bank’s loan policy.

(b) Upon the effective date of this ORDER, the Bank shall not extend credit, directly or indirectly, the proceeds of which will be used to eliminate an overdraft.

**CORRECTION OF VIOLATIONS**

13. (a) Within 30 days after the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of law and regulation noted in the May 26, 2009 Report of Examination.

(b) Within 30 days after the effective date of this ORDER, the Bank shall implement procedures to ensure future compliance with all applicable laws and regulations.
(c) Within 30 days after the effective date of this ORDER, the Bank shall address any contraventions of policy noted in the May 26, 2009 Report of Examination.

**INFORMATION TECHNOLOGY**

14. (a) Within 60 days after the effective date of this ORDER, the Bank shall prepare a written audit risk assessment of its Information Technology systems. This assessment shall address the findings of the Information Systems Report of Examination with respect to Information Technology systems and shall include the Bank’s proposed corrective measures.

(b) Within 10 days after the completion of the written assessment referenced above, the Bank’s board of directors shall review, approve, and submit its written assessment to the Regional Director and the Commissioner for review and comment.

(c) Within 30 days after receipt of the Regional Director’s and the Commissioner’s comments on the written assessment, the Bank shall adopt and implement all corrective measures detailed in the assessment.

**BSA TRAINING/INTERNAL CONTROLS**

15. (a) Within 60 days after the effective date of this ORDER, the Bank shall implement a Bank Secrecy Act (“BSA”) training program for all operational personnel whose duties may require knowledge of the BSA including, but not limited to the following personnel: the BSA officer, any assistant BSA officers, the Currency Transaction Report (“CTR”) coordinator, tellers, new account personnel, lending personnel, bookkeeping personal, wire transfer personnel, and informational technology personnel. The initial training will be completed within 90 days after the effective date of this ORDER. The Bank shall, thereafter,
conduct additional training on a regular basis, but not less than annually. The scope of the training shall include:

1. The Bank’s BSA policies and procedures
2. Identification of the three stages of money laundering (placement, layering, and integration);
3. Identification and examples of suspicious transactions;
4. The purpose and importance of a strong Customer Due Diligence Program ("CDD Program") and Customer Identification Procedures ("CIP") requirements;
5. Internal procedures for Currency Transaction Report ("CTR") and Suspicious Activity Report ("SAR") filings;
6. Procedures for reporting BSA matters, including SAR filings to senior management and the board of directors;
7. Procedures for conveying any new BSA rules, regulations, or internal policy changes to all appropriate personnel in a timely manner; and
8. Review of policies and procedures related to compliance with the Office of Foreign Assets Control ("OFAC") requirements.

Copies of the training materials utilized must be available at the Bank for review by examiners.

An overview of the BSA requirements shall be given to all new employees within 30 days of their employment. The overview should also be provided to all bank executives and directors not required to participate in the training outlined above within 90 days of the effective date of this ORDER. Bank executives, including the board of directors, shall be informed of any
changes and/or new developments to the BSA and to Bank’s responsibility under 31 C.F.R. Part 103, 12 C.F.R. § 326.8, and 12 C.F.R. Part 353.

(b) Within 90 days after the effective date of this ORDER, the Bank shall provide for a system of internal controls to ensure compliance with the BSA (the Financial Recordkeeping and Reporting of Currency and Foreign Transactions Reporting Act of 1970), 31 U.S.C. § 5311 et.seq., the rules and regulations implementing the BSA issued by the U.S. Treasury, 31 C.F.R. Part 103, (“Financial Recordkeeping Regulations”), and the FDIC’s BSA Program and Procedures Regulations (“FDIC BSA Regulations”), 12 C.F.R. Part 326. The system of internal controls shall require the Bank to, at a minimum:

(1) Aggregate all cash transactions and identify reportable transactions at a point where all of the information necessary to properly complete the required reporting forms can be obtained;

(2) Monitor, identify, and report possible money laundering or unusual and suspicious activity. Procedures should provide that high-risk accounts, services, and transactions are regularly reviewed for suspicious activity; and

(3) Ensure that all required reports, including SARs, CTRs, and monetary instrument logs, are completed accurately and properly filed within the required timeframes.

(c) Within 30 days after the effective date of this ORDER, the Bank shall take all reasonable steps to eliminate all apparent violations of the BSA, the Financial Recordkeeping Regulations, and the FDIC’s BSA Regulations identified in the May 26, 2009 Report of
Examination. The Bank shall take all reasonable steps to prevent future occurrences and ensure compliance with applicable statutes, regulations, rules, bulletins, and policy statements.

**COMPLIANCE MANAGEMENT SYSTEM**

16. (a) Within 90 days after the effective date of this ORDER, the Bank shall develop and implement a Compliance Management System that is commensurate with the level of complexity of the Bank’s operations. The Compliance Management System shall:

(1) Include the development and implementation of a compliance program that is reviewed and approved annually by the Bank’s board of directors, with the board’s approval reflected in the minutes of the Bank’s board of directors. The Compliance Program shall include written policies and procedures that shall:
   a. Provide Bank personnel with all the information that is needed to perform a business transaction; and
   b. Reflect changes, based on periodic updates, in the Bank’s business and regulatory environment.

(2) Include the implementation and maintenance of a training program related to Consumer Laws for all Bank personnel, including senior management and the Bank’s board of directors, commensurate with their individual job functions and duties. The Compliance Officer shall be responsible for the administration of this program, and shall provide training to officers and employees on a continuing basis.
(3) Include compliance monitoring procedures that have been incorporated into the normal activities of every department. At a minimum, the monitoring procedures should include ongoing reviews of:

a. Applicable departments and branches;
b. Disclosures and calculations for various loan and deposit products;
c. Document filing and retention procedures;
d. Marketing literature and advertising; and
e. Internal compliance communication system that provides to Bank personnel appropriate updates resulting from revisions to Consumer Laws.

(4) Require an annual independent, comprehensive, and written audit. The Bank’s board of directors shall document its efforts, including the review of and corrective measures made pursuant to the audit’s findings, in the minutes of the Bank’s board of directors. The audit shall:

a. Provide for sufficient transactional testing, as appropriate, for all areas of significant compliance risk, including those areas identified in the FDIC’s Compliance Examination Report dated June 1, 2009; and

b. Identify the causes that resulted in the violations of law or exceptions noted in the Audit Report with sufficient
information to provide management direction in formulating corrective action.

(b) Within 90 days after the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of consumer laws and regulations identified in the FDIC’s Compliance Examination Report dated June 1, 2009, and ensure that the Bank’s Compliance Management System will facilitate compliance with all Consumer Laws and regulations in the future.

**PROGRESS REPORTS**

17. Within 30 days after the end of each calendar quarter following the effective date of this ORDER, the Bank shall furnish to the Regional Director and the Commissioner written progress reports (“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. Such Progress Reports may be discontinued when the corrections required by this ORDER have been accomplished and the Regional Director and the Commissioner have released, in writing, the Bank from making further Progress Reports.

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 shareholders (1) in conjunction with the Bank’s next shareholder communication, and also (2) 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 Accounting and Securities Disclosure Section, Washington, D.C. 20429, for review at least 20 days prior to dissemination to shareholders. Any
changes requested by the FDIC shall be made prior to dissemination of the description, communication, notice, or statement.

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

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 by the FDIC.

This ORDER will become effective upon its issuance by the FDIC.

Pursuant to delegated authority.

Dated this 9th day of October 2009.

/s/
Thomas J. Dujenski
Regional Director
Dallas Region
Division of Supervision and Consumer Protection
Federal Deposit Insurance Corporation