

FEDERAL DEPOSIT INSURANCE CORPORATION  
WASHINGTON, D.C.

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In the Matter of	)	
	)	
FIRST BANK	)	CONSENT ORDER
WADLEY, ALABAMA	)	
	)	FDIC-09-577b
(Insured State Nonmember Bank)	)	
	)	
_____	)	

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for First Bank, Wadley, Alabama ("Bank"), under 12 U.S.C. § 1813(q).

The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a "Stipulation to the Issuance of a Consent Order" ("Stipulation"), dated December 18, 2009, that is accepted by the FDIC and the Superintendent of Banks ("Superintendent"), Alabama State Banking Department ("Department"). With the Stipulation, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices or violations of law or regulation, to the issuance of this Consent Order ("ORDER") by the FDIC and the Department.

Having determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) have been satisfied, the FDIC and the Department hereby order that:

## **BOARD OF DIRECTORS**

1. (a) Immediately from the effective date of this ORDER, the Board shall increase its participation in the affairs of the Bank, continuing to assume 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. The Board shall continue to prepare in advance and follow a detailed written agenda for each meeting, including consideration of the actions of any committee. Nothing in this paragraph shall preclude the Board from considering matters other than those contained in the agenda. This participation shall include meetings to be held no less frequently than monthly at which, at a minimum, the following areas shall be reviewed and approved: reports of income and expenses; new, overdue, renewal, insider, charged-off, and recovered loans; investment activity; 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 this ORDER, the Board shall establish a Board committee ("Directors' Committee"), consisting of at least four (4) members, to oversee the Bank's compliance with the ORDER. Three of the members of the Directors' Committee shall not be officers of the Bank. The Directors' Committee shall receive from Bank management monthly reports detailing the Bank's actions with respect to compliance with the ORDER. The Directors' Committee shall present a report detailing the Bank's adherence to the ORDER to the Board at each regularly scheduled Board meeting. Such report shall be recorded in the 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 90 days from the effective date of this ORDER, the Bank shall have and retain qualified management.

(a) Each member of management shall have 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 to implement the provisions of this ORDER. At a minimum, management shall include the following:

(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 senior lending officer with a significant amount of appropriate lending, collection, and loan supervision experience, and experience in managing the operations of a bank of similar size and upgrading a low quality loan portfolio; and

(iii) a chief operating officer with a significant amount of appropriate experience in managing the operations of a bank of similar size and complexity in accordance with sound banking practices.

(b) Within 60 days from the effective date of this ORDER, the Bank shall develop and approve a written analysis and assessment of the Bank's management

- (i) identification of both the type and number of officer positions needed to properly manage and supervise the affairs of the Bank;
  - (ii) identification and establishment of such Bank committees as are needed to provide guidance and oversight to active management;
  - (iii) annual written evaluations of all Bank officers, and, in particular, the chief executive officer, senior lending officer, and the chief operating officer, and staff members to determine whether these individuals possess the ability, experience and other qualifications required to perform present and anticipated duties, including, but not limited to, adherence to the Bank's established policies and practices, and restoration and maintenance of the Bank in a safe and sound condition;
  - (iv) a plan to recruit and hire any additional or replacement personnel with the requisite ability, experience and other qualifications to fill those officer or staff member positions consistent with the needs identified in the Management Plan; and
  - (v) an organizational chart.
- (c) Such Management Plan and its implementation shall be satisfactory to the Regional Director of the FDIC's Atlanta Regional Office ("Regional Director") and the Department (collectively "Supervisory Authorities").
- (d) The qualifications of management shall be assessed on their 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, management effectiveness, risk management, liquidity and sensitivity to market risk.

(e) During the life of this ORDER, the Bank shall notify the Supervisory Authorities, in writing, of the resignation or termination of any of the Bank's directors or senior executive officers, as that term is defined in section 303.101(b) of the FDIC Rules and Regulations, 12 C.F.R. § 303.101(b). Prior to the addition of any individual to the Board 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 Rules and Regulations, 12 C.F.R. §§ 303.100-303.104.

### **CAPITAL**

3. (a) Within 60 days from the effective date of this ORDER, the Bank shall have a Tier 1 Leverage Capital Ratio of not less than 9 percent (9%) and a Total Risk-Based Capital Ratio of not less than 12 percent (12%). The Tier 1 Leverage Capital and Total Risk-Based Capital ratios shall be calculated at the end of each calendar quarter using the definitions contained in section 325.2 of the FDIC Rules and Regulations. Thereafter, during the life of this ORDER, in the event the Tier 1 Leverage Capital Ratio falls below 9 percent (9%) or the Total Risk-Based Capital Ratio falls below 12 percent (12%) at the end of each calendar quarter, the Supervisory Authorities shall be notified in

writing and capital shall be increased in an amount sufficient to meet the ratios required by this provision within 30 days.

(b) Within 30 days from the effective date of this ORDER, the Bank shall submit to the Supervisory Authorities written details of how the Bank plans to comply with paragraph 3(a). In addition, the written plan shall consider current and future capital requirements. The capital plan required by this paragraph must include a contingency plan in the event that the Bank has

- (i) failed to maintain the minimum capital ratios required by paragraph 3(a);
- (ii) failed to submit an acceptable capital plan as required by this paragraph; or
- (iii) has failed to implement or adhere to a capital plan to which the Supervisory Authorities have taken no written objection pursuant to this paragraph.

The Bank shall implement the contingency plan upon written notice from the Supervisory Authorities.

(c) The level of Tier 1 Capital to be maintained during the life of this ORDER pursuant to paragraph 3(a) shall be in addition to a fully funded allowance for loan and lease losses (“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 necessary to meet the requirements of paragraph 3(a) of this ORDER may be accomplished by the following:

- (i) sale of common stock; or

- (ii) sale of noncumulative perpetual preferred stock; or
- (iii) direct contribution of cash by the Board, shareholders, and/or parent holding company; or
- (iv) any other means acceptable to the Supervisory Authorities; or
- (v) any combination of the above means.

Any increase in Tier 1 Capital necessary to meet the requirements of paragraph 3(a) of this ORDER may not be accomplished through a deduction from the Bank's ALLL.

(e) If all or part of any necessary increase in Tier 1 Capital required by paragraph 3(a) of this ORDER is accomplished by the sale of new securities, the Board shall forthwith take all necessary steps to adopt and implement a plan for the sale of such additional securities, including the voting of any shares owned or proxies held 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 the Federal securities laws. Prior to the implementation of the plan and, in any event, not less than fifteen (15) 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 17<sup>th</sup> Street, N.W., Room F-6066, Washington, D.C. 20429, for review. Any changes requested to be made in the plan or materials by the FDIC shall be made prior to their

dissemination. If the increase in Tier 1 Capital is provided by the sale of noncumulative perpetual preferred stock, then all terms and conditions of the issue, including but not limited to those terms and conditions relative to interest rate and convertibility factor, shall be presented to the Supervisory Authorities for prior approval.

(f) In complying with the provisions of paragraph 3(e) of this ORDER, the Bank shall provide to any subscriber and/or purchaser of the Bank's securities, a 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 ten (10) days from the date such material development or change was planned or occurred, whichever is earlier, and shall be furnished to every subscriber and/or purchaser of the Bank's securities who received or was tendered the information contained in the Bank's original offering materials.

(g) For the purposes of this ORDER, the terms "Tier 1 Leverage Capital", "Tier 1 Capital", Total Risk Based Capital and "total assets" shall have the meanings ascribed to them in 12 C.F.R. Part 325.

#### **INVESTMENT POLICY**

4. (a) Within 30 days from the effective date of this ORDER, and annually thereafter, the Board shall review the Bank's investment policy for adequacy and shall make the necessary revisions to address the actual and contemplated condition of investments held to maturity and/or available for sale. At a minimum, the revised policy shall:

(i) address the exceptions noted on pages 2 through 4 of the Report of

Examination of the Bank dated August 17, 2009 ("REPORT").

- (ii) comply with generally accepted accounting principles;
- (iii) comply with the Bank's loan, liquidity, and funds management policies;
- (iv) comply with the FDIC's Statement of Policy on Investment Securities and End-User Derivative Activities; and
- (v) comply with Instructions for the Preparation of Reports of Condition and Income, under which the Bank shall properly segregate and account for trading account securities.

(b) The revised policy shall be satisfactory to the Supervisory Authorities as determined at their initial review and subsequent examinations or visitations.

(c) During the life of this ORDER, the Bank is prohibited from purchasing additional private label mortgage backed securities as set forth on pages 2 through 4 of the REPORT.

(d) Within 30 days of the end of the first calendar quarter following the effective date of this ORDER, and within thirty (30) days of the end of each calendar quarter thereafter, the Bank shall cause an impairment analysis of all noninvestment grade securities to be performed by an independent third party and shall reflect the results of such analysis in the Bank's quarterly Report of Condition and Income due contemporaneously with the completion of the analysis. The Bank shall also provide a written report to the Board setting forth the findings of such analysis at the next scheduled meeting of the Board following completion of the written report. Based on the findings of the analysis set forth in the written report, the Board shall take action with

respect to the noninvestment grade securities consistent with the FDIC's Statement of Policy on Investment Grade Securities and End-User Derivative Activities, generally accepted accounting principles, and the Bank's investment policy as set forth in paragraphs 4(a) and 4(b).

### **ALLOWANCE FOR LOAN AND LEASE LOSSES**

5. Within 30 days from the effective date of this ORDER, the Board shall review the adequacy of the ALLL and establish a comprehensive policy for determining the adequacy of the ALLL. 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 in time to properly report the ALLL 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 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.

### **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 those assets classified "Doubtful" in the REPORT that have not been previously collected or charged-off. (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 assets through proceeds of other loans made by the Bank to the same borrower is not considered collection for purposes of this paragraph.

(b) Additionally, while this ORDER remains in effect, the Bank shall, within 30 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 the those classified "Doubtful" 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 fifty percent (50%) of the loan or lease classified "Doubtful.")

#### **REDUCTION OF CLASSIFIED ASSETS**

7. (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 (loans, other real estate owned, and repossessions) or relationship in excess of \$100,000 classified "Substandard" or "Doubtful" in the REPORT or internally by the Bank. For purposes of this provision, "reduce" shall mean 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, 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. The plan proposed by the Bank shall be subject to approval by the Supervisory Authorities.

(b) The plan mandated by paragraph 7(a) shall further require a reduction in the aggregate balance of assets classified "Substandard" or "Doubtful" in the REPORT in accordance with the following schedule. For purposes of this paragraph 7(b), "number of days" means number of days from the effective date of this ORDER.

- (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";
- (iii) within 540 days, a reduction of sixty percent (60%) in the balance of assets classified "Substandard" or "Doubtful"; and
- (iv) within 720 days, a reduction of seventy-five percent (75%) in the balance of assets classified "Substandard" or "Doubtful."

(c) The requirements of paragraph 7(b) 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.

(d) Within 60 days from the effective date of this ORDER, the Bank shall develop a plan to reduce the volume of its private label mortgage backed securities ("PLMBS") subject to adverse classification. The plan shall include a schedule detailing

the amounts by which the volume of PLMBS is to be reduced and the timeframes for accomplishing such reductions. 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 next Board meeting. Thereafter, the Bank shall implement and fully comply with the plan.

#### **SPECIAL MENTION**

8. Within 30 days from the effective date of the ORDER, the Bank shall develop a plan to correct all deficiencies in the assets listed for "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 next Board meeting. Thereafter, the Bank shall implement and fully comply with the plan.

#### **ADDITIONAL CREDIT**

9. (a) Beginning with 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 has a loan or other extension of credit from the Bank that has been charged off or classified, in whole or in part, "Loss" or "Doubtful" and is uncollected. The requirements of this paragraph shall not prohibit the Bank from renewing (after collection in cash of interest due from the borrower) any credit already extended to any borrower.

(b) Additionally, during the life of this ORDER, 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 from the Bank that has been classified, in whole or in part, "Substandard", and is uncollected. The requirements of this paragraph shall not prohibit the Bank from renewing (after collection in cash of interest due from the borrower) any credit already extended to any borrower.

(c) Paragraph 9(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 the extending of any additional credit pursuant to this paragraph, either in the form of a renewal, extension, or further advance of funds, such additional credit shall be approved by a majority of the Board or a designated committee thereof, who shall certify in writing as follows:

- (i) why the failure of the Bank to extend such credit would be detrimental to the best interests of the Bank;
- (ii) that the Bank's position would be improved thereby; including an explanatory statement of how the Bank's position would be improved; and
- (iii) an appropriate workout plan has been developed and will be implemented in conjunction with the additional credit to be extended.

The signed certification shall be made a part of the minutes of the Board or its designated committee and a copy of the signed certification shall be retained in the borrower's credit file.

### **WRITTEN STRATEGIC/BUSINESS PLAN**

10. (a) Within 60 days from the effective date of this ORDER, the Bank shall prepare and submit to the Supervisory Authorities for review and comment a written business/strategic plan covering the overall operation of the Bank. At a minimum the plan shall establish objectives for the Bank's earnings performance, growth, balance sheet mix, liability structure, capital adequacy, and reduction of nonperforming and underperforming assets, together with strategies for achieving those objectives. The plan shall also identify capital, funding, managerial and other resources needed to accomplish its objectives. Such plan shall specifically provide for the following:

- (i) goals for the composition of the loan and investment portfolios by type including strategies to diversify the type and improve the quality of loans and securities held;
- (ii) goals for the composition of the deposit base including strategies to reduce reliance on volatile and costly deposits;
- (iii) plans for effective risk management, collection, and investment practices.

(b) Within 30 days from the receipt of any comments from the Supervisory Authorities, and after due consideration of any recommended changes, the Board shall approve the business/strategic plan, which approval shall be recorded in the minutes of a board meeting.

### **INTERNAL LOAN REVIEW**

11. Within 90 days from the effective date of this Order, the Bank shall adopt an effective internal loan review grading system to provide for periodic review of the Bank's

loan portfolio in order to identify and categorize the Bank's loans, and other extensions of credit which are carried on the Bank's books as loans, on the basis of credit quality. Such system and its implementation shall be satisfactory to the Supervisory Authorities as determined at their initial review and subsequent examinations or visitations.

### **LENDING AND COLLECTION POLICIES**

12. Within 90 days from the effective date of this ORDER, the Bank shall develop and/or revise, adopt, and implement a written lending, underwriting and collection policy to provide effective guidance and control over the Bank's lending function, which policy shall include, at a minimum, provisions to address criticisms and recommendations enumerated on pages 4 and 5 of the REPORT. In addition, the Bank shall obtain adequate and current documentation for all loans in the Bank's loan portfolio. Such policy and its implementation shall be in a form and manner acceptable to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

### **PLAN FOR EXPENSES AND PROFITABILITY**

13. (a) Within 30 days from the effective date of this ORDER, the Bank shall formulate and fully implement a written plan and a comprehensive budget for all categories of income and expense for the calendar year ending 2010. 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, 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 13(a) 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 13(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.

### **FUNDS MANAGEMENT PLAN**

14. (a) Within 60 days from the effective date of this ORDER, the Bank shall adopt and implement a written plan addressing liquidity, contingent funding, and asset liability management. The plan shall address all items of criticism enumerated on page 7 of the REPORT. In particular, the plan shall be in conformance with the *Joint Agency Policy Statement on Interest Rate Risk* and FIL 84-2008 on *Liquidity Risk Management*. A copy of the plan shall be submitted to the Supervisory Authorities upon its completion for review and comment. Within 30 days from the receipt of any comments from the Supervisory Authorities, the Bank shall incorporate those 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) Beginning with the effective date of this ORDER, the Bank's management shall review its liquidity position weekly to ensure that the Bank has sufficient liquid

assets or sources of liquidity to meet current and anticipated liquidity needs. This review shall include an analysis of the Bank's sources and uses of funds (cash flow analysis). The results of this review shall be presented to the Board for review each month, with the review noted in the minutes of the meeting of the Board.

### **VIOLATIONS OF REGULATION AND POLICY**

15. Within 30 days from the effective date of this ORDER, consistent with safe and sound banking practices, the Bank shall eliminate and/or correct all violations of regulations and policies which are more fully set out on pages 12 through 16 of the REPORT. In addition, the Bank shall take all necessary steps to ensure future compliance with all applicable laws, regulations and policies.

### **CASH DIVIDENDS**

16. The Bank shall not pay cash dividends without the prior written consent of the Supervisory Authorities.

### **BROKERED DEPOSITS**

17. (a) Throughout the effective life of this ORDER, the Bank shall not accept, renew, rollover any brokered deposit, as defined by 12 C.F.R. § 337.6(a)(2), unless it is in compliance with the requirements of 12 C.F.R. § 337.6(b), governing solicitation and acceptance of brokered deposits by insured depository institutions.

(b) Within 30 days of the effective date of this ORDER, the Bank shall submit a written plan for eliminating its reliance on brokered deposits to the Supervisory Authorities for review and comment. The plan shall detail the current composition of brokered deposits by maturity and explain the means by which such deposits will be paid. Within 30 days of receipt of all comments from the Supervisory Authorities, and after

consideration of all such comments, the Bank shall approve the revised plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the plan.

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

### **PROGRESS REPORTS**

18. Within 30 days of the end of each calendar quarter following the effective date of this ORDER, the Bank shall furnish written progress reports to the Supervisory Authorities detailing the form, manner, and results of any actions taken to secure compliance with this ORDER and the results thereof. Such written reports shall provide cumulative detail of the Bank's progress toward achieving compliance with each provision of the ORDER. The progress report requirements shall continue for the life of this ORDER unless modified or terminated in writing by the Supervisory Authorities. All progress reports and other written responses to this ORDER shall be reviewed by the Board and be made a part of the minutes of the appropriate Board meeting.

### **DISCLOSURE**

19. Following the effective date of this ORDER, the Bank shall send to its shareholders or otherwise furnish a description of this ORDER in conjunction with the Bank's next shareholder communication and also 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 Registration Disclosure Section, 550 17th Street,

N.W., Room F-6066, Washington, D.C. 20429, and to the Superintendent, Alabama State Banking Department, 401 Adams Avenue, Suite 680, Montgomery, Alabama 36130-1201, 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.

The provisions of this ORDER shall not bar, estop, or otherwise prevent the FDIC, the Department or any other federal or state agency from taking any other action against the Bank or any of the Bank's current or former institution-affiliated parties.

This ORDER shall become effective on the date of its issuance.

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 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 21st day of December, 2009.

/s/

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

The Alabama Superintendent of Banks, having duly approved the foregoing ORDER, and the Bank, through its Board, agree that the issuance of said ORDER by the Federal Deposit Insurance Corporation shall be binding as between the Bank and the Alabama Superintendent of Banks to the same degree and legal effect that such ORDER would be binding on the Bank if the Alabama Superintendent of Banks had issued a separate ORDER that included and incorporated all the provisions of the foregoing ORDER pursuant to the provisions of the §5-2A-12, Code of Alabama, 1975.

Dated this 18th\_day of December, 2009.

/s/

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John D. Harrison  
Superintendent of Banks  
Alabama State Banking Department