STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

SPRINGFIELD, ILLINOIS

and

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of	AMENDED ORDER TO CEASE AND DESIST
SHOREBANK CHICAGO, ILLINOIS	FDIC -09-074-b 2009-DB-25
(ILLINOIS CHARTERED INSURED STATE NONMEMBER BANK)	

The Federal Deposit Insurance Corporation ("FDIC") and State of Illinois Department of Financial and Professional Regulation, Division of Banking (the "Division") issued an ORDER TO CEASE AND DESIST ("ORDER") on July 14, 2009 against ShoreBank, Chicago, Illinois ("Bank"). The FDIC and the Division have determined that it is necessary to amend the ORDER.

The Bank having been advised of its right to a NOTICE OF CHARGES AND OF HEARING detailing the additional unsafe or unsound banking practices alleged to have been committed by the

Bank, and of its right to a hearing on the charges under section 8(b) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b), and under 38 Ill. Adm. Code, section 392, et.seq., and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN AMENDMENT TO THE ORDER TO CEASE AND DESIST ("STIPULATION") with representatives of the FDIC and the Division dated March 10,2010, whereby, solely for the purpose of this proceeding and without admitting or denying the charges of unsafe or unsound banking practices, the Bank consented to the issuance of an AMENDMENT TO THE ORDER TO CEASE AND DESIST ("AMENDMENT TO THE ORDER") by the FDIC and the Division.

The FDIC and the Division considered the matter and determined that the requirements for issuance of an Order under 12 U. S. C. 1818 (b) and 48(6),205 ILCS 5/48 have been met. The FDIC and the Division therefore accepted the STIPULATION and HEREBY ORDER, that the ORDER be and is hereby amended to add the following affirmative actions. The Bank, its institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and its successors and assigns shall take affirmative action as follows:

CAPITAL

1. (a) Within 60 days from the effective date of this ORDER, the Bank shall have and maintain its level of Tier 1

capital as a percentage of its total assets ("capital ratio") at a minimum of 9 percent and its level of qualifying total capital as a percentage of risk-weighted assets ("total risk based capital ratio") at a minimum of 12 percent. For purposes of this ORDER, Tier 1 capital, qualifying total capital, total assets, and risk-weighted assets shall be calculated in accordance with Part 325 of the FDIC Rules and Regulations ("Part 325"), 12 C.F.R. Part 325.

(b) If, while this ORDER is in effect, the Bank increases capital by the sale of new securities, the board of directors of the Bank shall adopt and implement a plan for the sale of such additional securities, including the voting of any shares owned or proxies held by or controlled by them in favor of said plan. Should the implementation of the plan involve public distribution of Bank securities, including a distribution limited only to the Bank's existing shareholders, the Bank shall prepare detailed offering materials fully describing the securities being offered, including an accurate description of the financial condition of the Bank and the circumstances giving rise to the offering, and other material disclosures necessary to comply with Federal securities laws. Prior to the implementation of the plan and, in any event, not less than 20 days prior to the dissemination of such materials, the materials used in the sale of the securities shall be submitted to the

FDIC Registration and Disclosure Section, 550 17th Street, N.W., Washington, D.C. 20429 and to the Scott D. Clarke, Assistant Director, Division of Banking, Illinois Department of Financial and Professional Regulation, 500 East Monroe, Springfield, Illinois 62701, for their review. Any changes requested to be made in the materials by the FDIC or the Division shall be made prior to their dissemination.

(c) In complying with the provisions of this paragraph, the Bank shall provide to any subscriber and/or purchaser of Bank securities written notice of any planned or existing development or other changes which are materially different from the information reflected in any offering materials used in connection with the sale of Bank securities. The written notice required by this paragraph shall be furnished within 10 calendar days of the date any material development or change was planned or occurred, whichever is earlier, and shall be furnished to every purchaser and/or subscriber of the Bank’s original offering materials.

NOTIFICATION TO SHAREHOLDER

2. Following the effective date of this ORDER, the Bank shall send to its shareholder a copy of this ORDER: (1) in conjunction with the Bank’s next shareholder communication; or (2) in conjunction with its notice or proxy statement preceding the Bank’s next shareholder meeting.

This AMENDMENT TO THE ORDER shall be effective upon its issuance by the FDIC and the Division.

The provisions of this AMENDMENT TO THE ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this AMENDMENT TO THE ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the FDIC and the Division.

With the exception of paragraph 2 of the ORDER, this AMENDMENT TO THE ORDER does not modify, terminate, suspend, or set aside any provision of the ORDER.

Pursuant to delegated authority.

Dated: March 22, 2010

/s/
M. Anthony Lowe
Regional Director
Chicago Regional Office
Federal Deposit Insurance Corporation

/s/
Jorge A. Solis
Director
Division of Banking
Illinois Department of Financial and Professional Regulation