FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.
and
NEVADA FINANCIAL INSTITUTIONS DIVISION
LAS VEGAS, NEVADA

In the Matter of	
	CONSENT ORDER
TOWN & COUNTRY BANK	
LAS VEGAS, NEVADA	**FDIC-09-563b**
(Insured State Nonmember Bank)	

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for Town & Country Bank, Las Vegas, Nevada ("Bank"), under 12 U.S.C. § 1813(q). The FDIC and the Nevada Financial Institutions Division ("NFID") conducted a joint examination of the Bank and issued the FDIC and NFID July 20, 2009 Report of Examination ("Report of Examination").

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 January 21, 2010, that is accepted by the FDIC and the NFID. With the Stipulation, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices relating to weaknesses in asset quality, capital, and earnings, to the issuance of this Consent Order ("Order") by the FDIC and NFID.

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

1. Maintain Qualified Management.

(a) Within 90 days from the effective date of this ORDER, and annually thereafter, while this ORDER is in effect, the Bank's board of directors shall assess Bank management to determine whether the Bank has an appropriate number and type of officers with the requisite knowledge, skills, ability, and experience, giving consideration to the size and complexity of the Bank, to operate the Bank in a safe and sound manner, and in compliance with applicable laws and regulations, and restore the Bank to a satisfactory financial condition. In the event the board identifies any deficiencies in management, the board shall develop a plan within 30 days to remedy such deficiency.

(b) Each member of management shall be provided appropriate written authority from the board of directors to implement the provisions of this ORDER.

(c) For the requirements of subparagraphs (a) and (b) of this provision, the board shall record its findings, assessments, and plans in its minutes, and include them in the quarterly progress reports required under this ORDER.

2. **Charge-off of Adversely Classified Assets**.

(a) Within 10 days after the receipt of any future Report of Examination of the Bank from the FDIC and/or the NFID, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss" in the Report of Examination that have not been previously collected or charged off.

(b) Elimination or reduction of assets classified "Loss" through proceeds of other loans made by the Bank is not considered collection for purposes of this provision.

3. **Reduction of Adversely Classified Assets**.

(a) Within 60 days from the effective date of this ORDER, and 60 days from receipt of future Reports of Examination from the FDIC and/or the NFID, the Bank shall develop and complete a written plan to reduce the Bank's risk exposure in each asset in excess of $1,000,000 classified "Substandard" or "Doubtful" by the FDIC or the NFID. 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 such adverse classification.

(b) In developing the plans mandated by this paragraph, the Bank shall, at a minimum, review, analyze, and document the financial position of the borrower, including sources of repayment and repayment ability, as well as the value and accessibility of any pledged or assigned collateral, and any possible actions to improve the Bank's collateral position.

(c) The plans mandated by this provision shall include, at a minimum, the following:

(i) specific action plans intended to reduce the Bank's risk exposure in each classified asset;

(ii) a requirement that monthly written progress reports be submitted to the board of directors; and

(iii) a requirement that the board review the progress reports and record with a notation of the review in the minutes of the board of directors meetings at which such reports are reviewed.

(d) The Bank's board of directors shall approve the plans, which approval shall be recorded in the minutes of the meeting of the board of directors for the meeting at which such plans are approved. Thereafter, a copy of the plan or portion thereof that pertains to a specific borrower shall be maintained in the borrower's credit file, and the Bank shall implement and fully comply with the plan.

4. Restrictions on Advances to Adversely Classified Borrowers.

(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 adversely classified “Substandard” or "Doubtful" in the Report of Examination and is uncollected, or classified “Substandard” or “Doubtful” in any future FDIC or NFID Reports of Examination and is uncollected. The requirements of this subparagraph (a) 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) Subparagraph (a) of this provision 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 (b), whether in the form of a renewal, extension, or further advance of funds, such additional credit shall be approved by the Bank’s board of directors, or a designated committee thereof, who shall conclude:

(i) the failure of the Bank to extend such credit would be detrimental to the best interests of the Bank, with an explanation of why it would be detrimental;

(ii) that the extension of such credit would improve the Bank’s position, with an explanatory statement of why the Bank’s position would improve; and

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

(c) The conclusions and approval made pursuant to subparagraph (b) of this provision shall be made a part of the minutes of the meeting of the board, or designated committee thereof, at which the extension of credit is approved, with a copy retained in the borrower's credit file.

5. Concentrations of Credit.

(a) Within 60 days of the effective date of this ORDER, the Bank shall develop a written plan ("Concentration Plan") intended to systematically reduce and monitor the Bank's concentration in commercial real estate assets to an amount which is commensurate with the Bank's business strategy, management expertise, and financial condition. The Concentration Plan shall establish an appropriate concentration risk limit for the commercial real estate portfolio, as well as concentration risk limits for each segment of the portfolio with common risk characteristics or sensitivities to economic, financial, or business developments. Concentration risk limits will be expressed as a percentage of Total Capital.

(b) The board of directors shall review, on a monthly basis, the level and trend of concentrations, actual levels compared to levels targeted in the Concentration Plan, and reports that describe the state of and changes in commercial real estate market conditions in the geographic areas in which the Bank lends.

(c) Immediately after development, the Concentration Plan shall be submitted to the Regional Director of the FDIC Kansas City Regional Office ("Regional Director") and Commissioner of the NFID (collectively "Supervisory Authorities") for review and comment. Within 30 days of receipt of any comment from the Supervisory Authorities, and after consideration of any recommended changes, the board of directors shall approve the Concentration Plan, which approval shall be recorded in the minutes of the board. Thereafter, the Bank shall fully implement the Concentration Plan. The Concentration Plan shall be reviewed at least annually and amended as appropriate to manage the risk in the commercial real estate portfolio.

6. Maintenance of Allowance for Loan and Lease Losses ("ALLL").

(a) The Bank shall review its ALLL at least once each calendar quarter. That review should be completed at such time to ensure that the findings of the board will be properly reported in the Bank's Call Reports. Such reviews shall, at a minimum, be made in accordance with the Call Report

Instructions, the Interagency Statement of Policy on the Allowance for Loan and Lease Losses, other applicable regulatory guidance that addresses the appropriateness of the Bank's ALLL, and any analysis of the Bank's ALLL provided by either of the Supervisory Authorities.

(b) A deficiency in the Bank's ALLL shall be remedied in the calendar quarter in which it is discovered by a charge to current operating earnings prior to any Tier 1 capital determinations required by this ORDER and prior to the Bank's submission of its Call Report. The board of directors shall thereafter maintain an appropriate ALLL.

7. Business/Strategic Plan and Profit and Budget Plan.

(a) By March 31, 2010 and by January 31 of every year thereafter, the board of directors shall develop and fully implement a written three-year business/strategic plan and one-year profit and budget plan covering the overall operation of the Bank and its goals and strategies, consistent with sound banking practices, and taking into account the Bank's other written plans, policies, or other actions as required by this ORDER.

(b) The business/strategic plan shall provide specific objectives for asset growth, loan portfolio mix, market focus, earnings projections, capital needs, and liquidity position.

The profit and budget plan shall include goals and strategies for improving the earnings of the Bank. The budget shall include a description of the operating assumptions that form the basis for, and adequately support, major projected income and expense components, including projected salaries and bonuses.

(c) The board of directors shall approve the business/strategic plan and the profit and budget plan, which approval shall be recorded in the board meeting minutes. Thereafter, the business/strategic plan and the profit and budget plan, and any subsequent modification thereto, shall be submitted to the Supervisory Authorities, and the Bank shall implement and fully comply with the plans.

8. Maintenance of Capital.

(a) While this ORDER is in effect, the Bank shall have and maintain the following minimum capital levels (as defined in Part 325 of the FDIC's Rules and Regulations), after establishing an appropriate allowance for loan and lease losses:

(i) Tier 1 capital at least equal to 9 percent of total assets; and

(ii) Total risk-based capital at least equal to 12 percent of total risk-weighted assets.

(b) In the event any ratio is or becomes less than the minimum required by subparagraph (a) of this provision, the Bank shall immediately notify the Supervisory Authorities and within 30 days shall: (1) increase capital in an amount sufficient to comply with subparagraph (a) of this provision, or (2) submit a written plan to the Supervisory Authorities, describing the primary means and timing by which the Bank shall increase its capital ratios up to or in excess of the minimum requirements set forth above, as well as a contingency plan in the event the primary sources of capital are not available. Thereafter at the next board meeting, the board shall approve the written plan and record such approval in its minutes, and the Bank shall implement and fully comply with the written plan.

(c) Any increase in Tier 1 capital necessary to meet the requirements of this section may not be accomplished through a deduction from the allowance for loan and lease losses.

9. <u>Dividend Restriction</u>.

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.

10. <u>Disclosure of ORDER to Shareholders</u>.

Following the effective date of this ORDER, the Bank shall provide a copy or otherwise furnish a description of this ORDER to its shareholders, (i) in conjunction with the Bank's next shareholder communication, and (ii) in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. Any description shall fully describe the ORDER in all material respects. Such 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 for review at least 20 days prior to dissemination to shareholders. Any changes requested to be made by the FDIC shall be made prior to dissemination of the description, communication, notice, or statement.

11. Progress Reports Detailing Compliance with ORDER.

(a) By April 30, 2010, and within 45 days of the end of each calendar quarter thereafter, 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. Such written progress reports shall provide cumulative detail of the Bank’s progress toward achieving compliance with each provision of the ORDER.

(b) Progress reports may be discontinued when the Supervisory Authorities have, in writing, released the Bank from making additional reports.

12. <u>Binding Effect</u>.

(a) 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 provision has been modified, terminated, suspended, or set aside by the FDIC and/or the NFID. Any termination or modification by one of the Supervisory Authorities without concurrence by the other, will not affect the binding nature of the ORDER as issued by the nonconcurring Supervisory Authority.

(b) The provisions of this ORDER shall not bar, estop or otherwise prevent either of the Supervisory Authorities or any other federal or state agency or department from taking any action against the Bank, any of the Bank’s current or former institution-affiliated parties, or agents for improper acts or omissions, violations of law or regulation, or engaging in unsafe or unsound banking practices.

This ORDER shall be effective <u>March 3,</u> 2010.

FEDERAL DEPOSIT INSURANCE CORPORATION

Issued Pursuant to Delegated Authority

By: /s/

Mark S. Moylan
Deputy Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office

NEVADA FINANCIAL INSTITUTIONS DIVISION

By: /s/

George E. Burns
Commissioner
Nevada Financial Institutions Division