

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.
And
STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

_____)	
)	
In the Matter of)	
)	CONSENT ORDER
GREAT NORTHERN BANK)	
SAINT MICHAEL, MINNESOTA)	FDIC-10-213b
)	MN-
(Insured State Nonmember Bank))	
_____)	

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for the Great Northern Bank, Saint Michael, Minnesota ("Bank"), under 12 U.S.C. § 1813(q). The State of Minnesota, Department of Commerce, is the appropriate State banking authority for the Bank under Minnesota Statutes §§ 46.01 - 46.04 (2008) (and collectively, with the FDIC, "Supervisory Authorities").

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 June 2, 2010 that is accepted by the Supervisory Authorities. With the Stipulation, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices, to

the issuance of this Consent Order ("ORDER") by the Supervisory Authorities.

Having determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) and Minnesota state law have been satisfied, the Supervisory Authorities each hereby order that:

1. Minimum Capital Requirements.

(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 8 percent of total assets;

(ii) Total risk-based capital at least equal to 11 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), 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 of subparagraph (a)

above, as well as a contingency plan in the event the primary sources of capital are not available. Within 10 days of receipt of any such comments from the Supervisory Authorities, and after consideration of all such comments, the Bank shall approve the written plan, which approval shall be recorded in the minutes of the meeting of the board of directors. Thereafter, the Bank shall implement and fully comply with the written plan.

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

2. Dividend Restriction.

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.

3. Maintenance of Allowance for Loan and Lease Losses.

(a) Within 10 days from the effective date of this ORDER, the board of directors shall make a provision that will replenish the allowance for loan and lease losses ("ALLL") for the loans charged off as a result of the most recent internal loan review or in the most recent examination by either of the Supervisory Authorities and reflect the potential for further

losses in the remaining loans or leases classified "Substandard" and "Doubtful" as well as all other loans and leases in its portfolio.

(b) Within 10 days from the effective date of this ORDER, the board shall prepare a comprehensive written policy and methodology for determining the ALLL. The policy shall provide for a review of the ALLL at least once each calendar quarter in order that the findings of the board may 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.

(c) 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.

4. Progress Reports Detailing Compliance with ORDER.

(a) Within 45 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, 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, including at a minimum:

(i) description of the identified weaknesses and deficiencies;

(ii) provision(s) of the ORDER pertaining to each weakness or deficiency;

(iii) actions taken or in-process for addressing each deficiency;

(iv) results of the corrective actions taken;

(v) the Bank's status of compliance with each provision of the ORDER; and

(vi) appropriate supporting documentation.

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

5. **Disclosure of Order to Sole Shareholders.**

Following the effective date of this ORDER, the Bank shall provide a copy of this ORDER to its shareholder, (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.

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

This ORDER shall be effective on the date of 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 provision has been modified, terminated, suspended, or set aside by the Supervisory Authorities.

Issued Pursuant to Delegated Authority

Dated: June 18, 2010

FEDERAL DEPOSIT INSURANCE CORPORATION

By:

/s/
Mark S. Moylan
Deputy Regional Director

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

By:

/s/
Kevin M. Murphy
Deputy Commissioner