

FEDERAL DEPOSIT INSURANCE CORPORATION  
WASHINGTON, D.C.

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In the Matter of	)	
	)	CONSENT ORDER
COUNTY BANK	)	
REHOBOTH BEACH, DELAWARE	)	FDIC-10-454b
	)	
(INSURED STATE NONMEMBER BANK)	)	
	)	

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The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for County Bank, Rehoboth Beach, Delaware ("Bank"), under section 3(q) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1813(q).

The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER ("CONSENT AGREEMENT"), dated September 15, 2010, that is accepted by the FDIC. With the CONSENT AGREEMENT, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices relating to weaknesses in management and Board oversight, asset quality, capital, liquidity, and earnings, to the issuance of this Consent Order ("ORDER") by the FDIC.

Having determined that the requirements for issuance of an order under section 8(b) of the Act, 12 U.S.C. § 1818(b), have been satisfied, the FDIC hereby orders that:

**MANAGEMENT**

1. (a) The Bank shall have and continue to retain qualified management. Management shall be provided the necessary written authority to implement the provisions of this ORDER.

The qualifications of management shall be assessed on its 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, rules, and regulations; and
- (iv) restore all aspects of the Bank to a safe and sound condition, including asset quality; effective risk management; capital adequacy; earnings and liquidity.

(b) The Bank shall notify the Regional Director of the FDIC's New York Regional Office ("Regional Director") in writing of any resignations or terminations of any members of its Board or any of its "senior executive officers," as that term is defined in section 303.101(b) of the FDIC's Rules and Regulations, 12 C.F.R. § 303.101(b), within 10 days of the event. Prior to the addition of any individual to the Board or the employment of any individual as a senior executive officer, or any change in the title or function of a senior executive officer, the Bank shall request and obtain the Regional Director's written approval. Any notification required by this subparagraph shall include a description of the background(s) and experience of any proposed additions or replacement personnel. The Bank shall also establish procedures to ensure compliance with 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. Part 303.

### **BOARD PARTICIPATION**

2. (a) The Board shall increase its participation in the affairs of the Bank, assuming full responsibility for the approval and maintenance of sound policies and objectives and for the adequate supervision of all of the Bank's activities, consistent with the role and expertise commonly expected for directors of banks of comparable size.

(b) This participation shall also include meetings to be held no less frequently than monthly at which, at a minimum, the following areas shall be reviewed and approved: risk assessment; reports of income and expenses; new, overdue, renewal, insider, charged off, and recovered loans; liquidity levels and funds management; adoption or modification of operating

policies; individual committee reports; audit reports; compliance with limitations established for commercial real estate; enhanced commercial real estate monitoring; and compliance with this ORDER. Board minutes shall document these reviews and approvals, including the names of any dissenting directors.

### **ASSETS CLASSIFIED LOSS**

3. The Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss" by the FDIC in the FDIC Report of Examination dated January 15, 2010 ("Report of Examination") that have not been previously collected or charged off. Elimination or reduction of such assets with the proceeds of other Bank extensions of credit shall not be considered "collection" for purposes of this paragraph. Thereafter, within 15 days after the receipt of any report of examination of the Bank, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss" in any report of examination that have not been previously collected or charged off.

### **REDUCTION OF DELINQUENCIES AND CLASSIFIED ASSETS**

4. (a) Within 90 days from the effective date of this ORDER, the Bank shall formulate and submit for review as described in subparagraph (c), a written plan ("Delinquent and Classified Asset Plan") to reduce the Bank's risk position in each asset in excess of \$1,000,000 which is more than 90 days delinquent or classified "Substandard" or "Doubtful" in the Report of Examination. Thereafter, the Delinquent and Classified Asset Plan shall be revised to reduce the Bank's risk position in each asset in excess of \$1,000,000 which becomes more than 90 days delinquent or classified "Substandard" or "Doubtful" in any future report of examination. 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 adverse classification by the Regional Director.

(b) In developing the Delinquent and Classified Asset Plan, the Bank shall include, at a minimum, the following:

(i) an action plan to review, analyze and document the current financial condition of each delinquent or classified 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;

(ii) a specific action plan to reduce classified assets to not more than 75% of Tier 1 capital plus the allowance for loan and lease losses ("ALLL"); and not more than 50% of Tier 1 capital plus the ALLL, and the timeframes for achieving the respective reductions from the effective date of this ORDER;

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

(iv) delineate areas of responsibility for loan officers; and

(v) provide for the submission of monthly written progress reports to the Board for review and notation in minutes of the Board meetings.

(c) The Delinquent and Classified Asset Plan shall be submitted to the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the Delinquent and Classified Asset Plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Delinquent and Classified Asset Plan.

#### **RESTRICTIONS ON ADVANCES TO CLASSIFIED BORROWERS**

5. (a) The Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who is already obligated in any manner to the Bank on any

extensions of credit (including any portion thereof) that has been charged off the books of the Bank or classified "Loss" in the Report of Examination or any future report of examination, so long as such credit remains uncollected, without the prior written consent of the Regional Director.

(b) The Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower whose loan or other credit is more than 90 days past due or has been classified "Substandard" or "Doubtful" in the Report of Examination, or any future report of examination, and is uncollected, unless the Board, or a designated committee thereof, provides, in writing, a detailed explanation of why the extension is in the best interest of the Bank. Prior to extending additional credit pursuant to this paragraph, whether in the form of a renewal, extension, or further advance of funds, such additional credit shall be approved by the Board, or a designated committee thereof, who shall determine that:

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

(ii) the extension of such credit would improve the Bank's position, with a written explanatory statement of how and 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 determinations and approval shall be recorded in the minutes of the Board meeting and copies shall be submitted to the Regional Director at such times as the Bank submits the progress reports required by this ORDER or sooner upon the written request of the Regional Director.

## ALLOWANCE FOR LOAN AND LEASE LOSSES

6. (a) Within 90 days from the effective date of this ORDER, the Bank shall develop and submit for review as described in subparagraph (d), a comprehensive policy and methodology for determining the ALLL ("ALLL Policy"). The ALLL Policy shall provide for a review of the ALLL at least once each calendar quarter. Said review should be completed prior to submission of the quarterly Consolidated Reports of Condition and Income ("Call Report"). Such reviews shall, at a minimum, be made in accordance with:

(i) Financial Accounting Standards Board ("FASB") Statements Numbers 5 and 114, as codified by FASB under its Accounting Standards Codification effective after September 15, 2009 (established by FASB Statement Number 168)("FASB 5 and 114");

(ii) the Federal Financial Institution Examination Council's ("FFIEC") Instructions for the Call Report;

(iii) the *Interagency Statement of Policy on the Allowance for Loan and Lease Losses* (FIL-105-2006, issued December 13, 2006);

(iv) other applicable regulatory guidance that addresses the appropriateness of the Bank's ALLL; and

(v) any analysis of the Bank's ALLL provided by the FDIC.

(b) Such reviews shall include, at a minimum:

(i) the Bank's loan loss experience;

(ii) an estimate of the potential loss exposure in the portfolio;

(iii) trends of delinquent and non-accrual loans and prevailing and prospective economic conditions; and

(iv) consideration of concentrations of credit.

(c) The minutes of the Board meetings at which such reviews are undertaken shall include complete details of the reviews and the resulting recommended adjustment in the ALLL. The Board shall document in the minutes the basis for any determination not to require provisions for loan losses in accordance with subparagraphs (a) and (b).

(d) The ALLL Policy shall be submitted to the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the ALLL Policy, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the ALLL Policy.

(e) A deficiency in the 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 Bank shall thereafter maintain an appropriate ALLL.

(f) The analysis supporting the determination of the adequacy of the ALLL shall be submitted to the Regional Director. These submissions shall be made at such times as the Bank files the progress reports required by this ORDER or sooner upon the written request of the Regional Director. In the event that the Regional Director determines that the Bank's ALLL is inadequate, the Bank shall increase its ALLL and amend its Call Reports accordingly.

### **LOAN POLICY**

7. (a) Within 120 days from the effective date of this ORDER, the Bank shall conduct a review of the Bank's loan policies and procedures for adequacy and, based upon such review, shall make all appropriate revisions to the loan policies and procedures ("Loan Policy") necessary to address the lending deficiencies identified in the Report of Examination. The Loan Policy shall be submitted for review as described in subparagraph (c). The Board shall also

establish review and monitoring procedures to ensure that all lending personnel are adhering to the Loan Policy, and that the Board is receiving timely and fully documented reports on loan activity, including reports that identify deviations from the revised Loan Policy.

(b) The Loan Policy shall include, at minimum, the following:

(i) require that all extensions of credit originated or renewed by the Bank:

a. have a clearly defined and stated purpose;

b. have a predetermined and realistic repayment source and schedule, including secondary source of repayment;

c. are supported by complete loan documentation, including lien searches, perfected security interests, and collateral valuations; and

d. are supported by an assessment of current financial information, including contingent liabilities, profit and loss statements or copies of tax returns, and cash flow projections to determine repayment ability, which shall be maintained throughout the term of the loan; and are otherwise in conformance with the revised Loan Policy;

(ii) require periodic monitoring and analyses of the Bank's commercial real estate loan portfolio consistent with the *Interagency Guidance on Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices* (FIL-104-2006, issued December 12, 2006) and the guidance set forth in *Managing Commercial Real Estate Concentrations in a Challenging Environment* (FIL-22-2008, issued March 17, 2008); and

(iii) prohibit the capitalization of interest or loan-related expenses unless the Board or the Bank's loan committee provides, in writing, a detailed explanation of why such action is in the best interest of the Bank.

(c) The Loan Policy shall be submitted to the Regional Director for non-objection or comment. Within 30 days of receipt of non-objection or comments from the Regional Director,



and after incorporation and adoption of all comments, the Board shall approve the Loan Policy, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Loan Policy.

### **LOAN REVIEW PROGRAM**

8. (a) Within 60 days from the effective date of this ORDER, the Board shall revise its loan review program ("Loan Review Program") to provide for:

(i) prompt identification of loans with credit weaknesses that warrant the special attention of management, including the assessment and assignment of appropriate internal loan rating and classification, and the assessment of the degree of risk that the loan will not be fully repaid according to its terms;

(ii) prompt identification of all outstanding balances and commitments attributable to each obligor identified under the requirements of subparagraph (i), including outstanding balances, contingent liabilities, and commitments attributable to related interests of such obligors and guarantors, and an assessment of the risk exposure from the aggregate relationship;

(iii) identification of trends affecting the quality of the loan portfolio and potential problem areas;

(iv) assessment of the overall quality of the loan portfolio, including a documented review, assessment and rationale, by an independent party, to address and resolve any loan rating differences between management and the loan review function;

(v) identification of loans that are not in conformance with the Bank's lending policy; and

(vi) a mechanism for reporting periodically, but in no event less than quarterly, the information developed in (i) through (v) above to the Board.

(c) The revised Loan Review Program shall be submitted to the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the Loan Review Program, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Loan Review Program.

### **CONCENTRATION OF CREDIT–COMMERCIAL REAL ESTATE**

9. (a) Within 90 days from the effective date of this ORDER, the Bank shall develop and submit for review as described in subparagraph (c), a written plan for systematically reducing and monitoring the Bank's commercial real estate ("CRE") loan concentration of credit identified in the Report of Examination to an amount which is commensurate with the Bank's capital levels, business strategy, management expertise, size, and location ("CRE Concentration Reduction Plan"). Such plan shall prohibit any advances that would increase the concentration unless the advance is pursuant to an existing loan agreement and is otherwise permissible pursuant to this ORDER.

(b) The CRE Concentration Reduction Plan shall include, but not be limited to:

(i) dollar levels and percent of total capital to which the Bank shall reduce the concentration;

(ii) timeframes for achieving the reduction in dollar levels in response to (i) above;

(iii) provisions requiring compliance with the *Interagency Guidance on Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices* (FIL-104-2006, issued December 12, 2006) and *Managing Commercial Real Estate Concentrations in a Challenging Environment* (FIL-22-2008, issued March 17, 2008);

(iv) provisions for controlling and monitoring of CRE, including plans to address the rationale for CRE levels as they relate to growth and capital targets, segmentation and testing of the CRE portfolio to detect and limit concentrations with similar risk characteristics; and

(v) provisions for the submission of monthly written progress reports to the Board for review and notation in minutes of the Board meetings.

(c) The CRE Concentration Reduction Plan shall be submitted to the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the CRE Concentration Reduction Plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the CRE Concentration Reduction Plan.

### **CAPITAL**

10. (a) Within 90 days from the effective date of this ORDER, the Board shall develop a written capital plan ("Capital Plan"), subject to review and approval of the Regional Director, that details the manner in which the Bank will meet and maintain a Leverage Ratio of at least 8% and a Total Risk-Based Capital Ratio of at least 12% (as such terms are defined in Part 325 of the FDIC's Rules and Regulations, 12 C.F.R. Part 325). At a minimum, the Capital Plan shall include specific benchmark Leverage Ratios and Total Risk-Based Capital Ratios to be met at each calendar quarter end until the required capital levels are achieved. 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.

(b) In the event any required capital ratio is or falls below the minimum required by the approved Capital Plan, the Bank shall immediately notify the Regional Director and

(i) within 45 days shall increase capital in an amount sufficient to comply with the capital ratios as set forth in the approved Capital Plan; or

(ii) within 45 days submit to the Regional Director a contingency plan for the sale, merger, or liquidation of the Bank in the event the primary sources of capital are not available.

(c) The Capital Plan shall be submitted to the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Regional Director, and after incorporation and adoption of all or comments, the Board shall approve the Capital Plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Capital Plan.

(d) The Board shall review the Bank's adherence to the Capital Plan, at a minimum, on a monthly basis. Copies of the reviews and updates shall be submitted to the Regional Director as part of the progress reports required by this ORDER, and any material changes to the Capital Plan shall be submitted to the Regional Director no later than 10 days after completion.

#### **LIQUIDITY AND FUNDS MANAGEMENT**

11. (a) Within 60 days from the effective date of this ORDER, the Bank shall formulate a liquidity and funds management policy ("Liquidity and Funds Management Policy") to strengthen the Bank's funds management procedures, address the liquidity and funds management deficiencies identified in the Report of Examination, and maintain adequate provisions to meet the Bank's liquidity needs. The policy shall be submitted for review as described in subparagraph (c).

(b) The Liquidity and Funds Management Policy shall include, at a minimum, provisions that:

(i) provide a statement of the Bank's long-term and short-term liquidity needs and plans for ensuring that such needs are met, including plans to increase core funding sources;

(ii) provide for a periodic review of the Bank's deposit structure, including the volume and trend of total deposits and the volume and trend of the various types of deposits offered, the maturity distribution of time deposits, rates being paid on each type of deposit, rates being paid in the Bank's market area, national rates and rate caps, out-of-area deposits, and plans for attracting and maintaining core deposits and any other information needed;

(iii) identify the source and use of borrowed and/or volatile funds, including, but not limited to, Internet deposits and high cost rate-sensitive deposits;

(iv) establish a reasonable range for borrowed and volatile funding;

(v) require the retention of securities and/or other assets that can be liquidated 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;

(vi) establish contingency plans by identifying alternative courses of action designed to meet the Bank's liquidity needs; and

(vii) comply with the guidance set forth in *Liquidity Risk Management* (FIL-84-2008, issued August 26, 2008) and *Funding and Liquidity Risk Management Interagency Guidance* (FIL-13-2010, issued April 5, 2010).

(c) The Liquidity and Funds Management Policy shall be submitted to the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the Liquidity and Funds Management Policy, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Liquidity and Funds Management Policy.

(d) The Bank shall review annually its Liquidity and Funds Management Policy for adequacy and, based upon such review, shall make necessary revisions to the policy.

### **PROFIT AND BUDGET PLAN**

12. (a) Within 90 days from the effective date of this ORDER, and within the first 30 days of each calendar year thereafter, the Bank shall formulate and submit for review as described in subparagraph (c), a written profit and budget plan ("Profit Plan") consisting of 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 Profit Plan shall include, at a minimum:

- (i) a description of the operating assumptions that form the basis for, and adequately support, material projected revenue and expense components;
- (ii) specific goals to maintain appropriate provisions to the ALLL;
- (iii) realistic and comprehensive budgets for all categories of income and expense;
- (iv) a budget review process to monitor the revenue and expenses of the Bank whereby actual performance is compared against budgetary projections not less than quarterly; and
- (v) recording the results of the budget review and any actions taken by the Bank as a result of the budget review in the Board minutes.

(c) The Profit Plan shall be submitted to the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the Profit Plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Profit Plan.

(d) Within 30 days following the end of each calendar quarter following completion of the Profit Plan required by this paragraph, the Board shall evaluate the Bank's actual performance in relation to the Profit Plan, record the results of the evaluation, and note any actions taken by the Bank in the minutes of the Boards' meeting at which such evaluation is undertaken.

### **INTEREST RATE RISK**

13. (a) Within 60 days from the effective date of this ORDER, the Bank shall develop and submit for review as described in subparagraph (b), an interest rate risk policy and procedures ("IRR Policy") that shall address the exceptions noted in the Report of Examination, comply with the FFIEC's *Advisory on Interest Rate Risk Management* (FIL-2-2010, issued January 6, 2010) and the *Joint Agency Policy Statement on Interest Rate Risk* (FIL-52-96, issued July 12, 1996).

(b) The IRR Policy shall be submitted to the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the IRR Policy, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the IRR Policy.

### **STRATEGIC PLAN**

14. (a) Within 120 days from the effective date of this ORDER, the Bank shall develop and submit for review as required by subparagraph (c), a written strategic plan ("Strategic Plan") supported by an operating budget and consisting of 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. The Strategic Plan 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 Strategic Plan shall include, at a minimum:

(i) identification of the major areas in and means by which the Bank will seek to improve operating performance;

(ii) specific goals to improve the net interest margin, increase interest income, reduce discretionary expenses,

(iii) financial goals, including pro forma statements for asset growth and funding sources to support projected growth, capital adequacy, and earnings; and

(iv) coordination of the Bank's loan, investment, funds management, and operating policies, ALLL methodology, Profit Plan, Capital Plan and CRE Concentration Reduction Plan with the Strategic Plan.

(c) The Strategic Plan shall be submitted to the Regional Director for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Regional Director, and after incorporation and adoption of all comments, the Board shall approve the Strategic Plan, which approval shall be recorded in the minutes of the Board meeting.

Thereafter, the Bank shall implement and fully comply with the Strategic Plan.

(d) The Strategic Plan required by this ORDER shall be revised 60 days prior to the end of each calendar year. Thereafter the Board shall approve the revised Strategic Plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and adhere to the revised Strategic Plan.



### **RESTRICTIONS ON PAYMENTS TO HOLDING COMPANY**

15. Except for payments made pursuant to the Tax Allocation Agreement dated October 12, 2007 between the Bank and its holding company, the Bank shall not declare or pay any cash dividend, pay any management fee, or make any payment, directly or indirectly, to or for the benefit of the Bank's holding company, without the prior written consent of the Regional Director.

### **PROGRESS REPORTS**

16. Within 30 days from the end of each calendar quarter following the effective date of this ORDER, the Bank shall submit to the Regional Director written progress reports detailing the form, manner, and results of any actions taken to secure compliance with this ORDER. All progress reports and other written responses to this ORDER shall be reviewed by the Board and made a part of the Board minutes.

### **COMPLIANCE COMMITTEE**

17. (a) Within 15 days from the effective date of this ORDER, the Board shall establish a compliance committee ("Compliance Committee"), a majority of which members who are not now, and have never been, involved in the daily operations of the Bank, with the responsibility of ensuring compliance with the provisions of this ORDER.

(b) The Compliance Committee shall monitor compliance with this ORDER and submit a written report monthly to the Board, and a copy of the report and any discussion related to the report or this ORDER shall be included in the minutes of the Board meeting. Copies of the monthly report shall be submitted to the Regional Director as part of the progress reports required by this ORDER. Nothing contained herein shall diminish the responsibility of the entire Board to ensure compliance with the provisions of this ORDER.

### **SHAREHOLDER DISCLOSURE**

18. Within 30 days from 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 parent holding company. The description shall fully describe the ORDER in all material aspects.

### **ORDER EFFECTIVE**

19. This ORDER shall be effective on the date of issuance.

20. 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 in writing by the FDIC.

### **OTHER ACTIONS**

21. The provisions of this ORDER shall not bar, stop, 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.

Issued Pursuant to Delegated Authority.

Dated this 20th day of September, 2010      By:

/s/ \_\_\_\_\_  
Daniel E. Frye  
Acting Regional Director  
New York Region  
Division of Supervision and Consumer Protection  
Federal Deposit Insurance Corporation