FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of	)	
	)	CONSENT ORDER
FIRST FINANCIAL BANK BESSEMER, ALABAMA	)	FDIC-10-831b
(INSURED STATE NONMEMBER BANK)	)	

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for First Financial Bank, Bessemer, 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 February 15, 2011, that is accepted by the FDIC and the Alabama State Banking Department ("State"). The State may issue an order pursuant to the Code of Alabama Annotated Section 5-2A-12 (1980). 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 relating to weaknesses in asset quality, capital adequacy, earnings, management effectiveness, liquidity, and sensitivity to market risk to the issuance of this CONSENT ORDER ("ORDER") by the FDIC and the State.

Having determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) and Code of Alabama Annotated Section 5-2A-12 (1980) have been satisfied, the FDIC and the State hereby order that:

DIRECTORS

1. (a) Immediately upon the effective date of this ORDER, the Board shall enhance its participation in the affairs of the Bank, assuming 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. 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; adoption or modification of operating policies; individual committee reports; audit reports; internal control reviews including management's responses; reconciliation of general ledger accounts; and compliance with the ORDER. Board meeting minutes shall document these reviews and approvals, including the names of any dissenting directors.

(b) Within thirty (30) days from the effective date of this ORDER, the Board shall establish a Board committee ("Directors' Committee"), consisting of at least three (3) members, to oversee the Bank's compliance with this ORDER. All of the members of such committee must be directors not employed in any capacity by the bank other than as a director. The Directors' Committee shall receive and review from Bank management monthly reports detailing the Bank's actions with respect to compliance with this ORDER. The Directors' Committee shall present to the Board a report detailing the Bank's adherence to this ORDER at each regularly scheduled Board meeting. Such report shall be recorded in the appropriate Board meeting minutes 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. (a) Within one hundred twenty (120) days of the effective date of this ORDER, the Bank shall have and retain qualified management with the qualifications and experience commensurate with assigned duties and responsibilities of the Bank. Each member of management shall be provided appropriate written authority from the 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 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) 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 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.

(c) Within thirty (30) days from the effective date of this ORDER, the Board shall engage an independent third party acceptable to the Regional Director of the FDIC's Atlanta Regional Office ("Regional Director") and the State (collectively, “Supervisory Authorities”) that possesses appropriate expertise and qualifications to analyze and assess the Bank's Board, management, staffing performance, and staffing needs. The engagement shall require that the analysis and assessment shall be summarized in a written report to the Board (“Management Report”). Within thirty (30) days of receipt of the Management Report, the Board will conduct a full and complete review of the Management Report, which review shall be recorded in the minutes of the meeting of the Board.

(d) Within thirty (30) days of receipt of the Management Report, the Board will develop a written Management Plan that incorporates the findings of the report, a plan of action in response to each recommendation contained in the Management Report, and a time frame for completing each action. At a minimum, the Management Plan shall:

(i) identify the type and number of officer positions needed to manage and supervise the affairs of the Bank, detailing any vacancies or additional needs and giving appropriate consideration to the size and complexity of the Bank;

(ii) identify the type and number of staff positions needed to carry out the Bank's strategic plan, detailing any vacancies or additional needs;

(iii) identify the authorities, responsibilities, and accountabilities attributable to each position, as well as the appropriateness of the authorities, responsibilities, and accountabilities, giving due consideration to the relevant knowledge, skills, abilities, and experience of the incumbent (if any) and the existing or proposed compensation;

(iv) evaluate the current and past performance of all existing Bank officers, including directors, executive officers, and staff members, indicating whether the individuals are competent and qualified to perform present and anticipated duties, adhere to the Bank's established policies and practices, and operate the Bank in a safe and sound manner;

(v) establish requirements and methodologies to periodically evaluate each individual's job performance;

(vi) identify and establish Bank committees needed to provide guidance and oversight to management;

(vii) identify training and development needs, and incorporate a plan to provide such training and development;

(viii) establish procedures to periodically review and update the Management Plan, as well as periodically review and assess the performance of each officer and staff member;

(ix) contain a current organizational chart that identifies all existing and proposed staff and officer positions, delineates related lines of authority and accountability, and establishes a written plan for addressing any identified needs; and

(x) contain a current management succession plan.

(e) A copy of the Management Report and Management Plan and any subsequent modification thereto shall be submitted to the Supervisory Authorities for review and comment. Within thirty (30) days from receipt of any comment, and after consideration of such comment, the Board shall approve the Management Plan and the approval shall be recorded in the minutes of the meeting of the Board. Thereafter, the Bank and its directors, officers and employees shall implement and follow the Management Plan and any modifications thereto. It shall remain the responsibility of the Board to fully implement the plan within the specified time frames. In the event the plan, or any portion thereof, is not implemented, the Board shall immediately advise the Supervisory Authorities, in writing, of specific reasons for deviating from the Management Plan.

(f) During the life of this ORDER, the Bank shall provide written notice to the Supervisory Authorities, in writing, of the resignation or termination of any of the Bank's directors or senior executive officers. 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 Federal Deposit Insurance Act ("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 and shall obtain prior written approval from the State. If the Supervisory Authorities issue a notice of disapproval with respect to the proposed individual, then such individual may not be added to the Board or employed by the Bank.

CAPITAL

3. (a) Within one hundred twenty (120) days from the effective date of this ORDER, the Bank shall have Tier 1 capital in such amount as to equal or exceed eight and one-half percent (8.5%) of its total assets, and shall have total risk-based capital in such an amount as to equal or exceed twelve percent (12%) of the Bank's total risk-weighted assets. During the life of this ORDER, the Bank shall maintain a Tier 1 leverage capital ratio of at least eight and one-half percent (8.5%) and total risk-based capital ratio of at least twelve percent (12%) as those capital ratios are defined in Part 325 of the FDIC Rules and Regulations, 12 C.F.R. Part 325. The level of Tier 1 capital to be maintained during the life of this ORDER pursuant to this paragraph shall 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.

(b) Within sixty (60) days from the effective date of this ORDER, the Bank shall submit to the Supervisory Authorities a written capital plan. Such capital plan shall detail the steps that the Bank shall take to achieve and maintain the capital requirements set forth in this ORDER. In developing the capital plan, the Bank must take into consideration:

(i) the volume of the Bank's adversely classified assets;

(ii) the nature and level of the Bank's asset concentrations;

(iii) the adequacy of the Bank's ALLL;

(iv) the anticipated level of retained earnings;

(v) anticipated and contingent liquidity needs; and

(vi) the source and timing of additional funds to fulfill future capital needs.

(c) In addition, the capital plan must include a contingency plan in the event that the Bank has:

(i) failed to maintain the minimum capital ratios required by this paragraph;

(ii) failed to submit an acceptable capital plan as required by this subparagraph; or

(iii) failed to implement or adhere to a capital plan to which the Supervisory Authorities have taken no written objection pursuant to this paragraph.

Said contingency plan shall include a plan to sell or merge the Bank. The Bank shall implement the contingency plan upon written notice from the Supervisory Authorities.

(d) Any increase in Tier 1 capital necessary to meet the requirements of this ORDER may be accomplished by the following:

(i) sale of common stock;

(ii) sale of non-cumulative perpetual preferred stock;

(iii) direct contribution of cash by the Board, shareholders, and/or parent holding company;

(iv) any combination of the above; or

(v) any other means acceptable to the Supervisory Authorities.

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

(f) If all or part of the increase in Tier 1 capital required by 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 applicable securities laws. Prior to the implementation of the plan involving the public distribution of the Bank's securities 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, Division of Supervision and Consumer Protection, Accounting and Securities 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. Any changes requested to be made in the plan or materials 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.

(g) In complying with the capital provisions paragraph 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 that 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.

REDUCTION OF CLASSIFIED ASSETS

4. (a) Within sixty (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 in excess of $250,000 adversely classified in the Report of Examination dated September 7, 2010 (“Report”) or any future regulatory examination reports. For purposes of this paragraph, “reduce” means 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, and 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.

(b) In addition, the written plan mandated by this paragraph also shall include, but not be limited to, the following:

(i) a schedule for reducing the outstanding dollar amount of each adversely classified asset, including timeframes for achieving the reduced dollar amounts (at a minimum, the schedule for each adversely classified asset must show its expected dollar balance on a quarterly basis);

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

(iii) a schedule showing, on a quarterly basis, the expected consolidated balance of all adversely classified assets, and the ratio of the consolidated balance to the Bank's projected Tier 1 capital plus the ALLL;

(iv) a provision for the Bank's submission of monthly written progress reports to its Board; and

(v) a provision mandating Board review of the progress reports, with a notation of the review recorded in the Board meeting minutes.

(c) The plan mandated by this paragraph shall further require a scheduled quarterly reduction in the aggregate balance of assets classified "Substandard" or "Doubtful" in the Report.

(d) The requirements of this paragraph 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.

(e) Within sixty (60) days from the effective date of this ORDER, the Bank shall submit the written reduction plan to the Supervisory Authorities for review and comment. Within thirty (30) days from receipt of any comment from the Supervisory Authorities, and after any recommended changes are made, the Bank shall approve the plan, which approval shall be recorded in the Board meeting minutes. Thereafter, the Bank shall implement and fully comply with the plan. Such plans shall be monitored and progress reports thereon shall be submitted to the Supervisory Authorities at 90-day intervals concurrently with the other reporting requirements set forth in this ORDER.

REDUCTIONS OF CONCENTRATIONS OF CREDIT

5. (a) Within sixty (60) days from the effective date of this ORDER, the Bank shall perform a risk segmentation analysis with respect to the concentrations of credit listed on the Concentrations page of the Report. The analysis should incorporate applicable guidance referenced in FIL 104-2006 dated December 12, 2006, titled *Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices*. Concentrations should be identified by product type, geographic distribution, underlying collateral or other asset groups, which are considered economically related and in the aggregate represent a large portion of the Bank's Tier 1 capital and reserve for ALLL. A copy of this analysis shall be provided to the Supervisory Authorities, and the Board agrees to develop a plan to reduce any segment of the portfolio which the Supervisory Authorities deem to be an undue concentration of credit in relation to the Bank's Tier 1 Capital. The plan and its implementation shall be in a form and manner acceptable to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

(b) Within ninety (90) days from the effective date of this ORDER, the Bank shall develop and submit for review a written plan for systematically reducing and monitoring the Bank's Acquisition, Development, and Construction Loan concentration of credit identified in the Report to an amount which is commensurate with the Bank's business strategy, management expertise, size, and location ("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.

(c) The 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; and

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

(d) The Concentration Reduction Plan shall be submitted to the Supervisory Authorities for comment. Within thirty (30) days from receipt of any comments from the Supervisory Authorities, and after incorporation and adoption of all comments, the Board shall approve the Concentration Reduction Plan, which approval shall be recorded in the Board meeting minutes. Thereafter, the Bank shall implement and fully comply with the Concentration Reduction Plan.

CHARGE-OFF

6. (a) Within ten (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 fifty percent (50%) of those assets classified "Doubtful" in the Report that have not been previously collected or charged off. If an asset is classified "Doubtful", the Bank may, in the alternative, charge off the amount that is considered uncollectible in accordance with the Bank's written analysis of loan or lease impairment. Such analysis shall be accomplished in accordance with generally accepted accounting principles and the Federal Financial Institutions Examination Council's Instructions for the Reports of Condition and Income, Interagency Statements of Policy on the ALLL, and other applicable regulatory guidance that addresses the adequacy of the Bank's ALLL. Elimination of any of these assets through proceeds of other loans made by the Bank is not considered collection for purposes of this paragraph.

(b) Additionally, while this ORDER remains in effect, the Bank shall, within thirty (30) days from the receipt of any official Report of Examination of the Bank from the FDIC or the State, eliminate from its books, by collection, charge-off, or other proper entries, the remaining balance of any asset classified "Loss" and fifty percent (50%) of those classified "Doubtful" unless otherwise approved in writing by the Supervisory Authorities.

ALLOWANCE FOR LOAN AND LEASE LOSSES

7. (a) Immediately upon the issuance of this ORDER, the Board shall make a provision to replenish the Allowance for Loan and Lease Losses ("ALLL"), which as of the date of the examination was underfunded as set forth in the Report.

(b) Within thirty (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 continue to provide for a review of the ALLL at least once each calendar quarter. Said review shall be completed in time to properly report the ALL in 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. The review should include a review of compliance with FAS 114 currently codified as 310-10-35, Receivables – Overall – Subsequent Measurement General, and FAS 5 currently codified as ASC 450, Contingencies. The policy shall adhere to the guidance set forth in FIL-105-2006, *Interagency Policy Statement on the Allowance for Loan and Lease Losses*. 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 Board meeting minutes for the 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 as determined at the initial review and at subsequent examinations and/or visitations.

OTHER REAL ESTATE

8. (a) Within sixty (60) days from the effective date of this ORDER, the Board shall develop a written policy for managing the Other Real Estate ("ORE") of the Bank. At a minimum, the policy shall provide for:

(i) a workout plan for each ORE parcel in excess of $250,000;

(ii) documentation that taxes and insurance premiums are paid in a timely manner;

(iii) resolution of document exceptions;

(iv) a realistic and comprehensive budget for each parcel with a book value in excess of $250,000, including projections of the Bank's carrying costs (e.g., upkeep, repairs, insurance costs) and projections of the marketing costs;

(v) an independent appraisal of each parcel at the time of foreclosure and periodically thereafter (but no more than 12 months from the date of the prior appraisal report);

(vi) each parcel of ORE being listed with a real estate broker or otherwise made widely available for sale within an appropriate timeframe and at a realistic selling price;

(vii) periodic progress reports from each real estate broker marketing Bank ORE, including projected sales timeframes;

(viii) detailed monthly report to the Board of the status of each ORE parcel in excess of $250,000, made part of the Board meeting minutes; and

(ix) requirements for accounting, documentation, resale terms, and action plans for the orderly liquidation of ORE from the Bank's books.

(c) The Bank shall submit the policy to the Supervisory Authorities for review and comment. Within thirty (30) days from receipt of any comment from the Supervisory Authorities, and after due consideration of any recommended changes, the Bank shall approve the policy, which approval shall be recorded in the Board meeting minutes. Thereafter, the Bank shall implement and fully comply with the policy.

RESTRICTIONS ON CERTAIN PAYMENTS

9. (a) While this ORDER is in effect, the Bank shall not declare or pay dividends or bonuses without the prior written approval of the Supervisory Authorities. All requests for prior approval shall be received at least thirty (30) days prior to the proposed dividend or bonus payment declaration date (at least five (5) days with respect to any request filed within the first thirty (30) days after the date of this ORDER) and shall contain, but not be limited to, an analysis of the impact such dividend or bonus payment would have on the Bank's capital, income, and/or liquidity positions.

(b) During the term of this ORDER, the Bank shall not make any distributions of interest, principal or other sums on subordinated debentures, if any, without the prior written approval of the Supervisory Authorities.

NO ADDITIONAL CREDIT

10. (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 credit already extended to a borrower after full collection, in cash, of interest due from the 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 part, "Substandard”.

(c) Paragraph 10(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) that an appropriate workout plan has been developed and will be implemented in conjunction with the additional credit to be extended.

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

LIQUIDITY AND FUNDS MANAGEMENT

11. (a) Within sixty (60) days from the effective date of this ORDER, the Bank shall adopt and implement a written plan to improve liquidity, contingency funding, interest rate risk, and asset liability management.

(b) The plan shall incorporate the guidance contained in the FIL 84-2008, dated August 26, 2008, *Liquidity Risk Management*. The plan shall provide restrictions on the use of brokered and Internet deposits consistent with safe and sound banking practices.

(c) A copy of the plan shall be submitted to the Supervisory Authorities for review and comment. Within thirty (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, and its implementation shall be in a form and manner acceptable to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

(d) Beginning with the effective date of this ORDER, the Bank's management shall review its liquidity position to ensure that the Bank has sufficient liquid assets or sources of liquidity to continue 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 Board meeting minutes.

BUDGET

12. (a) Within sixty (60) 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 2011. 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, control overhead, and improve and sustain earnings of the Bank. The plan shall include 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 this ORDER shall be acceptable to the Supervisory Authorities.

(b) Monthly, the Board shall continue to evaluate the Bank's actual performance in relation to the plan and budget required by this ORDER and shall record the results of the evaluation, and any actions taken by the Bank, in the Board meeting minutes for the meeting at which such evaluation is undertaken. The actual performance compared to the budget shall be submitted to the Supervisory Authorities with the required quarterly progress reports.

INTERNAL LOAN REVIEW

13. Within sixty (60) days from the effective date of this Order, the Bank shall adopt an effective internal loan review and 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 at subsequent examinations and/or visitations.

LENDING AND COLLECTION POLICIES

14. Within sixty (60) days from the effective date of this ORDER, the Bank shall review, revise, and implement its written lending and collection policy to provide effective guidance and control over the Bank's lending and credit administration functions, which implementation shall include the resolution of those exceptions enumerated in the Report. The written policy should include specific guidelines for concentrations of credit, placing loans on nonaccrual, limitations on interest reserves and deferred payment plans, and requirements for appraisals and evaluations consistent with outstanding regulatory guidance and the Uniform Standards of Professional Appraisal Practice. The policy shall include requirements for re-appraising and/or re-evaluating real estate pledged as collateral on an ongoing basis that take into consideration changing market conditions and economic factors. 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.

WRITTEN STRATEGIC BUSINESS PLAN

15. (a) Within sixty (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 also shall 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 portfolio by loan type including strategies to diversify the type and improve the quality of the loans 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 and collection practices.

(b) Within thirty (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 Board meeting minutes for the meeting at which the Board approved the strategic/business plan.

INTEREST RATE RISK MANAGEMENT

16. Within sixty (60) days from the effective date of this ORDER, the Bank shall review and update its written policy for managing interest rate risk in a manner that is appropriate to the size of the Bank and the complexity of its assets. The policy shall comply with FIL-52-96, dated July 12, 1996, *Joint Agency Policy Statement on Interest Rate Risk*, and FIL-2-2010, dated January 20, 1010, *FFIEC Advisory on Interest Rate Management*, and shall be consistent with the comments and recommendations detailed in the Report. The policy shall include guidelines governing the means by which the

interest rate risk position will be monitored, the establishment of risk parameters, and periodic reporting to management and the Board regarding interest rate risk with adequate information provided to assess the level of risk. Such policy and its implementation shall be satisfactory to the Supervisory Authorities.

BROKERED DEPOSITS

17. (a) Throughout the effective life of this ORDER, the Bank shall not accept, renew, or 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) The Bank shall comply with the restrictions on the effective yields on deposits described in 12 C.F.R. § 337.6.

ASSET GROWTH

18. While this ORDER is in effect, the Bank shall notify the Supervisory Authorities at least sixty (60) days prior to undertaking asset growth that exceeds five percent (5%) or more per annum or initiating material changes in asset or liability composition. In no event shall asset growth result in noncompliance with the capital maintenance provisions of this ORDER unless the Bank receives prior written approval from the Supervisory Authorities.

VIOLATIONS OF LAW AND REGULATION

19. Within sixty (60) days from the effective date of this ORDER, the Bank will eliminate and/or correct all violations of laws, regulations, and/or contraventions of statements of policy in the Report and shall adopt and implement appropriate procedures

to ensure future compliance with all such applicable federal and state laws, regulations, and/or statements of policy.

PROGRESS REPORTS

20. Within thirty (30) days after the end of the first quarter following the effective date of this ORDER, and within thirty (30) days after the end of each quarter thereafter, the Bank shall furnish written progress reports to the Supervisory Authorities detailing the form and manner of any actions taken to secure compliance with this ORDER and the results thereof. Such reports shall include a copy of the Bank's Reports of Condition and of Income. Such reports may be discontinued when the corrections required by this ORDER have been accomplished and the Supervisory Authorities have released the Bank in writing from making further reports. All progress reports and other written responses to this ORDER shall be reviewed by the Board and made a part of the appropriate Board meeting minutes.

DISCLOSURE TO SHAREHOLDERS

21. Following the effective date of this ORDER, the Bank shall provide to its shareholders or otherwise furnish a description of this ORDER in conjunction with the Bank's next shareholder communication and 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 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 for comment at least twenty (20) days prior to dissemination to shareholders. Any changes requested to be made by the Supervisory Authorities shall be made prior to dissemination of the description, communication, notice, or statement.

This ORDER shall not bar, stop, or otherwise prevent the FDIC, the State, or any other federal or state agency or department from taking any action against the Bank, the Bank's current or former institution-affiliated parties, and/or any of their respective directors, officers, employees, and agents, including, but not limited to, the imposition of civil money penalties.

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 this 17th day of February, 2011.

By:

/s/

Thomas J. Dujenski
Regional Director
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, 1980.

Dated this 15th day of February, 2011.

/s/

John D. Harrison
Superintendent of Banks
Alabama State Banking Department