

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

_____	)	
In the Matter of	)	SUPERVISORY
	)	PROMPT CORRECTIVE ACTION
OXFORD BANK	)	DIRECTIVE
OXFORD, MICHIGAN	)	
	)	FDIC-10-889PCAS
(INSURED STATE NONMEMBER BANK)	)	
_____	)	

WHEREAS, Oxford Bank, Oxford, Michigan ("Bank") is a significantly undercapitalized depository institution as that term is defined in Section 38(b)(1) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1831o(b)(1), and section 325.103 of the Federal Deposit Insurance Corporation ("FDIC") Rules and Regulations, 12 C.F.R. § 325.103;

WHEREAS, pursuant to a letter dated February 17, 2009, the FDIC had previously notified the Bank of its undercapitalized capital category as that term is defined in Section 38(b)(1) of the Act, 12 U.S.C. § 1831o(b)(1), and section 325.103 of the FDIC Rules and Regulations, 12 C.F.R. § 325.103, as a result of the filing of the December 31, 2008 Consolidated Report of Income and Condition ("Call Report") and required the Bank to submit an acceptable capital restoration plan compliant with Section 38(e)(2) of the Act, 12 U.S.C. § 1831o(e)(2), and section 325.104 for the FDIC Rules and Regulations, 12 C.F.R. § 325.104;

WHEREAS, the Bank submitted a capital restoration plan on

March 27, 2009 that failed to adequately specify the information required under Section 38(e)(2) of the Act, 12 U.S.C. § 1831o(e)(2), and section 325.104 of the FDIC Rules and Regulations, 12 C.F.R. § 325.104;

WHEREAS, on July 13, 2009, the Bank submitted a revised capital restoration plan that failed to satisfy the requirements of Section 38(e)(2) of the Act, 12 U.S.C. § 1831o(e)(2), and section 325.104 of the FDIC Rules and Regulations, 12 C.F.R. § 325.104;

WHEREAS, a revised capital restoration plan was submitted by the Bank on August, 24, September 10, and October 1, 2009 and subsequently approved by the FDIC on December 10, 2009;

WHEREAS, pursuant to the Bank's inability to comply with its capital restoration plan, by letter dated March 19, 2010, the FDIC requested the Bank revise the capital restoration plan that had been approved by the FDIC on December 10, 2010 to supply updated capital projections in accordance with the Bank's abandonment of its plan to sell branches;

WHEREAS, on June 2, 2010, the Bank submitted a revised capital restoration plan that failed to satisfy the requirements of Section 38(e)(2) of the Act, 12 U.S.C. § 1831o(e)(2), and section 325.104 of the FDIC Rules and Regulations, 12 C.F.R. § 325.104;

WHEREAS, pursuant to a letter dated June 22, 2010, the FDIC

notified the Bank it had been placed in the category of "significantly undercapitalized" due to its failure to file an adequate capital restoration plan;

WHEREAS, pursuant to the September 30, 2010 Call Report, the Bank has become "significantly undercapitalized" as that term is defined in Section 38(b)(1) of the Act, 12 U.S.C. § 1831o(b)(1), and section 325.103 of the FDIC Rules and Regulations, 12 C.F.R. § 325.103;

WHEREAS, the Bank has been diligent in seeking recapitalization but it has been unsuccessful in increasing capital and has no serious, viable prospects for an immediate capital injection;

WHEREAS, the Bank's unacceptable capital restoration plan and financial condition require that prompt corrective action be taken immediately;

WHEREAS, the actions in this SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE ("Directive") are necessary to carry out the purposes of Section 38 of the Act including Section 38(e)(5), 12 U.S.C. § 1831o(e)(5);

THEREFORE, the FDIC finds it necessary, in order to carry out the purposes of Section 38 of the Act, to issue this Directive without providing notice as set forth in section 308.201(a)(1) of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.201(a)(1), and hereby issues this Directive

pursuant to Section 38 of the Act, 12 U.S.C. § 1831o, and section 308.201(a)(2) of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.201(a)(2).

SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE

IT IS HEREBY DIRECTED, that the Bank shall take one or both of the following actions to recapitalize the Bank:

1. The Bank shall sell enough voting shares or obligations of the Bank so that the Bank will be adequately capitalized after the sale; and/or
2. The Bank shall accept an offer to be acquired by a depository institution holding company or to combine with another insured depository institution;

FURTHER DIRECTED, that the provisions of this Directive shall not affect the obligations imposed on the Bank by Section 38 of the Act, 12 U.S.C. § 1831o, or by the mandatory provisions applicable to significantly undercapitalized institutions found at Section 325.105(a)(1)-(3) of the FDIC Rules and Regulations, 12 C.F.R. § 325.105.

FURTHER DIRECTED, that the provisions of this Directive shall not affect the obligations of the Bank pursuant to any other action issued against the Bank by the FDIC;

FURTHER DIRECTED, that this Directive shall become effective immediately upon its receipt by the Bank.

Each provision of this Directive shall be binding upon the

Bank, its directors, officers, employees, agents, successors, assigns, and other institution-affiliated parties of the Bank.

Each provision of this Directive shall remain effective and enforceable until the Bank has been adequately capitalized on average for 4 consecutive calendar quarters, except to the extent that any provision shall be modified, terminated, suspended, or set aside by the FDIC.

The Bank may file a written appeal of this Directive within 14 calendar days from the date of the issuance of this Directive as provided in section 308.201(a)(2) of the FDIC's Rules of Practice and Procedure, 12 C.F.R. § 308.201(a)(2).

The appeal shall be filed with M. Anthony Lowe, Regional Director, Federal Deposit Insurance Corporation, Chicago Regional Office, 300 South Riverside Plaza, Suite 1700, Chicago, Illinois, 60606, with a copy to Timothy E. Divis, Regional Counsel, Federal Deposit Insurance Corporation, Chicago Regional Office, 300 South Riverside Plaza, Suite 1700, Chicago, Illinois 60606.

Pursuant to delegated authority.

Dated this 4<sup>TH</sup> day of March, 2011.

/s/

---

M. Anthony Lowe  
Regional Director  
Division of Supervision and  
Consumer Protection