

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

_____)	
In the Matter of)	
)	SUPERVISORY
SUMMIT BANK,)	PROMPT CORRECTIVE ACTION
BURLINGTON, WASHINGTON)	DIRECTIVE
)	
(INSURED STATE NONMEMBER BANK))	FDIC-11-210PCAS
_____)	

WHEREAS, Summit Bank, Burlington, Washington (“Bank”) is a “critically 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 December 28, 2010, the FDIC notified the Bank of its undercapitalized capital category as a result of the amended September 30, 2010, Call Report filed on December 21, 2010, 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 of the FDIC Rules and Regulations, 12 C.F.R. § 325.104, by February 11, 2011;

WHEREAS, the Bank submitted a Capital Plan on February 11, 2011, that was incomplete, as well as failing 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, pursuant to a letter dated February 22, 2011, the FDIC notified the Bank of its unacceptable capital plan and significantly undercapitalized capital category as a result of the December 31, 2010, Call Report;

WHEREAS, the FDIC issued a Supervisory Prompt Corrective Action Directive dated March 2, 2011;

WHEREAS, pursuant to a letter dated April 13, 2011, the FDIC notified the Bank of its critically undercapitalized capital category as a result of an onsite analysis by FDIC examiners of financial information as of March 31, 2011;

WHEREAS, the Bank's condition continues to deteriorate;

WHEREAS, the Bank's management has not demonstrated the ability to return the Bank to a safe and sound condition;

WHEREAS, the Bank's unacceptable capital restoration plan, deteriorating condition, and management's inability to return the Bank to a safe and sound condition require that prompt corrective action be taken immediately;

THEREFORE, the FDIC finds it necessary, in order to carry out the purposes of section 38 of the Act, including section 38(i), 12 U.S.C. § 1831o(i), to issue this SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE without providing notice as set forth in section 308.201(a)(1) of the FDIC Rules of Practice and Procedure, 12 C.F.R. § 308.201(a)(1), and hereby issues this SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE pursuant to section 38 of the Act, 12 U.S.C. § 1831o, and section 308.201(a)(2) of the FDIC 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 not employ ***** in any capacity at the Bank, including on a contract basis, without the prior written approval of the Regional Director of the FDIC's San Francisco Regional Office.

FURTHER DIRECTED, that the provisions of this SUPERVISORY PROMPT CORRECTIVE ACTION 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 SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE shall become effective immediately upon its receipt by the Bank.

Each provision of this SUPERVISORY PROMPT CORRECTIVE ACTION 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 SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE shall remain effective and enforceable until the Bank has been adequately capitalized on average for four (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 SUPERVISORY PROMPT CORRECTIVE ACTION DIRECTIVE within fourteen (14) calendar days from the date of the issuance of this Directive as provided in section 308.201(a)(2) of the FDIC Rules of Practice and Procedure, 12 C.F.R. § 308.201(a)(2).

The appeal shall be filed with Stan Ivie, Regional Director, Federal Deposit Insurance Corporation, San Francisco Regional Office, 25 Jessie Street at Ecker Square, Suite 2300, San Francisco, California 94105, with a copy to Joseph J. Sano, Regional Counsel, Federal Deposit

Insurance Corporation, San Francisco Regional Office, 25 Jessie Street at Ecker Square, Suite
1400, San Francisco, California 94105.

Pursuant to delegated authority.

Dated this 13th day of April, 2011.

/s/

J. George Doerr
Deputy Regional Director
Division of Risk Management and Supervision
San Francisco Region
Federal Deposit Insurance Corporation