FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

In the Matter of	)	
PROBANK TALLAHASSEE, FLORIDA	)	CONSENT ORDER
	)	FDIC-10-796b
(Insured State Nonmember Bank)	)	

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for ProBank, Tallahassee, Florida ("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 July 20, 2011, that is accepted by the FDIC. With this 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, management, earnings, capital, liquidity, and sensitivity to market risk, to the issuance of this Consent Order ("ORDER") by the FDIC.

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

1. <u>BOARD OF DIRECTORS</u>

(a) Immediately upon issuance of this ORDER, the Board shall increase 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. The Board shall prepare in advance and follow a detailed written agenda for each meeting, including consideration of the actions of any committees. Nothing in the foregoing sentences shall preclude the Board from considering matters other than those contained in the agenda. 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; operating policies; and individual committee actions. Board minutes shall document these reviews and approvals, including the names of any dissenting directors.

(b) Within 30 days from the effective date of this ORDER, the Board shall establish a Board committee ("Directors' Committee"), consisting of at least three members, to oversee the Bank's compliance with the ORDER. A majority of the members of the Directors' Committee shall not be officers of the Bank. The Directors' Committee shall receive from Bank management monthly reports detailing the Bank's actions with respect to compliance with the ORDER. The Directors' Committee shall present a report detailing the Bank's adherence to the ORDER to the Board at each regularly scheduled Board meeting. Such report shall be recorded in the appropriate minutes of the Board's meeting 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.

2. MANAGEMENT

(a) Within 90 days from 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 at the Bank. Each member of management shall be provided appropriate written authority from the Bank's 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 complexity 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 financial officer with a significant amount of appropriate experience in managing the financial aspects and official reporting of a bank’s operations of comparable 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) To facilitate having and retaining qualified management, the Board shall, in no more than 60 days from the effective date of this ORDER, conduct an analysis and assessment of the Bank's management and staffing needs ("Management Plan"), which shall include, at a minimum:

(i) identification of both the type and number of officer positions needed to properly manage and supervise the affairs of the Bank;

(ii) a written evaluation of each senior executive officer as defined in paragraph 2(f), and other staff members to determine whether those individuals possess the ability, experience and other qualifications required to perform present and anticipated duties, including, but not limited to, adherence to the Bank's established policies and practices, and restoration and maintenance of the Bank in a safe and sound condition;

(iii) a plan to recruit and hire any additional or replacement personnel with the requisite ability, experience and other qualifications to fill those officer or staff member positions consistent with the needs identified in the Management Plan; and

(iv) an organizational chart.

(d) The written Management Plan shall also include the requirement that the Board, or a committee thereof consisting of not less than a majority of the individuals who are independent with respect to the Bank, provide supervision over lending, investment and operating policies of the Bank sufficient to ensure that the Bank complies with the provisions of this ORDER.

(e) Such Management Plan and its implementation shall be satisfactory to the Regional Director as determined in subsequent examinations and/or visitations.

(f) During the life of this ORDER, the Bank shall notify Regional Director, in writing and within ten business days, of the resignation or termination of any of the Bank's directors or senior executive officers and provide the reason for the resignation or termination of the individual. Prior to the addition of any individual to the Board or the employment of any individual as a senior executive officer or executive officer, as those terms are defined in Subpart F of Part 303 of the FDIC Rules and Regulations, 12 C.F.R. § 303.101, 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. The notification shall include a description of the background and experience of the individual or individuals to be added or employed and must be received at least 60 days before such addition or employment is intended to become effective. If the Regional Director issues a notice of disapproval pursuant to section 32 of the Act, 12 U.S.C. § 1831i, with respect to any proposed individual, then such individual shall not be added or employed by the Bank.

3. CAPITAL

(a) Within 90 days from the effective date of this ORDER, the Bank shall have Tier 1 Capital in such amount as to equal or exceed eight percent (8%) 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.

(b) Thereafter during the life of this ORDER, the Bank shall maintain a Tier 1 Capital Ratio of at least eight percent (8%) and Total Risk-Based Capital of at least twelve percent (12%).

(c) Within 60 days from the effective date of this ORDER, the Bank shall submit to the Regional Director 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 paragraphs 3(a) and 3(b) above. 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.

In addition, the capital plan must include a contingency plan in the event that the Bank:

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

(ii) fails to submit an acceptable capital plan as required by this paragraph, or;

(iii) fails to implement or adhere to a capital plan to which the Regional Director 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 Regional Director.

(d) The level of Tier 1 Capital to be maintained during the life of this ORDER pursuant to this paragraph shall be in addition to a fully funded allowance for loan and lease losses ("ALLL"), the adequacy of which shall be satisfactory to the Regional Director as determined at subsequent examinations and/or visitations.

(e) Any increase in Tier 1 Capital necessary to meet the requirements of this paragraph may be accomplished by the following:

(i) sale of common stock; or

(ii) sale of noncumulative perpetual preferred stock; or

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

(iv) any combination of the above means; or

(v) any other means acceptable to the Regional Director.

Any increase in Tier 1 Capital necessary to meet the requirements of this paragraph may not be accomplished through a deduction from the Bank's ALLL.

(f) If all or part of any necessary increase in Tier 1 Capital required by this paragraph 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 Federal securities laws. Prior to the implementation of the plan 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 Risk Management Supervision, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Room MB-5073, Washington, D.C. 20429 for review. Any changes requested to be made in the plan or materials by the FDIC 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 Regional Director for prior approval.

(g) In complying with the provisions of this paragraph, 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 which 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.

(h) For the purposes of this ORDER, the terms "Tier 1 Capital", "total assets", “risk-weighted assets,” and “Total Risk-Based Capital Ratio” shall have the meanings ascribed to them in Part 325 of the FDIC Rules and Regulations, 12 C.F.R. Part 325 and Appendix A thereto.

4. <u>CHARGE-OFF</u>

(a) Within 30 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 50 percent of those assets or portions of assets classified "Doubtful" as of February 21, 2011, in any FDIC or State of Florida Office of Financial Regulation (“OFR”) Report of Examination (collectively, “Examination”) that have not been previously collected or charged-off. Elimination of any of these assets through proceeds of other loans made by the Bank is not considered collection for purposes of this paragraph. 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 30 days from the receipt of any official Report of Examination of the Bank from the FDIC or the OFR eliminate from its books, by collection, charge-off, or other proper entries, the remaining balance of any asset classified "Loss" and 50 percent of the those classified "Doubtful" unless otherwise approved in writing by the Regional Director.

5. REDUCTION OF CLASSIFIED ASSETS

(a) Within 60 days from the effective date of this ORDER, the Bank shall submit a written plan to the Regional Director to reduce the remaining assets classified "Substandard" in the Examination. The plan shall address each asset so classified with a balance of $250,000 or greater and provide the following:

(i) the name under which the asset is carried on the books of the Bank;

(ii) type of asset;

(iii) actions to be taken in order to reduce the classified asset; and

(iv) timeframes for accomplishing the proposed actions.

(b) The plan shall also include, at a minimum:

(i) a review of the financial position of each such borrower, including the source of repayment, repayment ability, and alternate repayment sources; and

(ii) an evaluation of the available collateral for each such credit, including possible actions to improve the Bank's collateral position.

(c) In addition, the Bank's plan shall contain a schedule detailing the projected reduction of total classified assets on a quarterly basis. Further, the plan shall require the submission of monthly progress reports to the Board and mandate a review by the Board.

(d) The Bank shall present the plan to the Regional Director for review. Within 30 days from the Regional Director’s response, the plan, including any requested modifications or amendments, shall be adopted by the Board and the approval shall be recorded in the Board minutes. The Bank shall then immediately implement the plan.

(e) For purposes of the plan, the reduction of adversely classified assets as of the Report shall be detailed using quarterly targets expressed as a percentage of the Bank's Tier 1 Capital plus the Bank's ALLL and may be accomplished by:

(i) charge-off;

(ii) collection;

(iii) sufficient improvement in the quality of adversely classified assets so as to warrant removing any adverse classification, as determined by the FDIC; and/or

(iv) increase in the Bank's Tier 1 Capital.

6. RESTRICTIONS ON FUTURE ADVANCES

(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 (after collection in cash of interest due from the borrower) any credit already extended to any 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" and is uncollected.

(c) Paragraphs 7(a) and (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 extension 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) that the new extension of credit will not result in the Bank exceeding any limitation contained in the Bank's Concentration Plan.

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

7. <u>WRITTEN STRATEGIC/BUSINESS PLAN</u>

(a) Within 90 days from the effective date of this ORDER, the Bank shall prepare and submit to the Regional Director 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 shall also identify capital, funding, managerial and other resources needed to accomplish its objectives. Such plan shall specifically provide for the following:

(v) goals for the composition of the loan portfolio by loan type including strategies to diversify the type and improve the quality of loans held;

(vi) goals for the composition of the deposit base including strategies to reduce reliance on volatile and costly deposits; and

(vii) plans for effective risk management and collection practices.

(b) Within 15 days from the receipt of any comments from the Regional Director, and after due consideration of any recommended changes, the Board shall approve the business/strategic plan, which approval shall be recorded in the minutes of a Board meeting.

8. <u>CONCENTRATIONS OF CREDIT</u>

Within 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 pages of the Examination. 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 significant portion of the Bank's Total Risk-Based Capital. The Bank should refer to Financial Institution Letter ("FIL") 104-2006, dated December 12, 2006, titled *Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices*, for information regarding risk segmentation analysis. A copy of this analysis shall be provided to the Regional Director and the Board shall develop a plan to reduce any segment of the portfolio which the Regional Director deems to be an undue concentration of credit in relation to the Bank's Total Risk-Based Capital ("Concentration Plan"). The Concentration Plan shall limit any concentration to a single obligor to no more than 25% of the Bank's Tier 1 Capital. The Concentration Plan and its implementation shall be in a form and manner acceptable to the Regional Director as determined at subsequent examinations and/or visitations.

9. VIOLATIONS OF LAW, REGULATION, AND POLICY

Within 60 days from the effective date of this ORDER, the Bank shall eliminate and/or correct the violations of law, regulation, and/or statement of policy which are more fully set out in the Report. In addition, the Bank shall take all necessary steps to ensure future compliance with all applicable laws, regulations, and statements of policy.

10. PLAN FOR EXPENSES AND PROFITABILITY

(a) Within 90 days from the effective date of this ORDER, the Bank shall formulate and implement a written plan to improve and/or sustain Bank earnings for 2011. This plan shall be forwarded to the Regional Director for review and comment and shall address, at a minimum, the following:

(i) goals and strategies for improving and sustaining the earnings of the Bank;

(ii) the major areas in, and means by which the Bank will seek to improve the Bank's operating performance;

(iii) realistic and comprehensive budgets;

(iv) a budget review process to monitor the income and expenses of the Bank to compare actual figures with budgetary projections;

(v) the operating assumptions that form the basis for, and adequately support, major projected income and expense components; and

(vi) coordination of the Bank’s loan, investment, and operating policies and budget and profit planning with the funds management policy.

(b) Following the end of each calendar quarter, the Board shall evaluate the Bank’s actual performance in relation to the plan required by this paragraph and shall record the results of the evaluation, and any actions taken by the Bank in the minutes of the Board meeting at which such evaluation is undertaken.

(c) Thereafter, the Bank shall formulate such a plan and budget by November 30 of each year. These plans and budgets shall be submitted to the Regional Director for review and comment by December 15 of each year.

11. **ALLOWANCE FOR LOAN AND LEASE LOSSES**

(a) Immediately upon the issuance of this ORDER, the Board shall make a provision to replenish the ALLL, which as of the date of the examination is underfunded as set forth in the Report.

(b) Within 60 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 provide for a review of the ALLL at least once each calendar quarter. Said review shall be completed in time to properly report the ALLL in the quarterly Reports of Condition and Income. The review should 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 5, currently ASC 450, and FAS 114, currently codified as ASC 310-40, including the identification of and the appropriate value for collateral dependent loans. The policy shall adhere to the guidance set forth in FIL 105-2006, dated December 13, 2006, titled *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 minutes of the Board 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 Regional Director as determined at their initial review and at subsequent examinations and/or visitations.

12. <u>INTERNAL ROUTINE AND CONTROLS</u>

(a) Within 60 days from the effective date of this ORDER, the Bank shall adopt and implement a policy for the operation of the Bank in such a manner as to provide adequate internal routine and controls within the Bank consistent with safe and sound banking practices and which addresses the criticisms cited in the Report. Such policy and its implementation shall, at a minimum, eliminate and/or correct all internal routine and control deficiencies identified in the Report and shall be satisfactory to the Regional Director.

(b) Within 60 days from the effective date of this ORDER, the Bank shall develop an internal audit program that establishes procedures to protect the integrity of the Bank's operational and accounting systems. The program shall be in a form and manner acceptable to the Regional Director.

13. <u>LIQUIDITY AND FUNDS MANAGEMENT</u>

(a) Within 90 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. The plan shall incorporate the guidance contained in FIL 84-2008, dated August 26, 2008, titled *Liquidity Risk Management*. The plan shall provide restrictions on the use of brokered and internet deposits consistent with safe and sounds banking practices.

(b) A copy of the plan shall be submitted to the Regional Director for review and comment. Within 30 days from the receipt of any comments from the Regional Director, the Bank shall incorporate those recommended changes. Thereafter, the Bank shall implement and follow the plan.

(c) 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 meet current and anticipated liquidity needs. This review shall include an analysis of the Bank’s sources and uses of funds (e.g., cash flow analysis). The results of this review shall be presented to the Board for review each month, with the review noted in the minutes of the Board meeting.

(d) Annually during the life of this ORDER, the Bank shall review the plan for adequacy and, based upon such review, shall make appropriate revisions to the plan that are necessary to strengthen the funds management procedures and maintain adequate provisions to meet the Bank’s liquidity needs.

14. INTEREST RATE RISK MANAGEMENT

Within 90 days from the effective date of this ORDER, the Bank shall develop and implement a 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, titled *Joint Agency Policy Statement on Interest Rate Risk* and FIL-2-2010, dated January 20, 2010, titled *FFIEC Advisory on Interest Rate Management* and shall be consistent with the comments and recommendations detailed in the Report and shall include, at a minimum, the means by which the interest rate risk position will be monitored, the establishment of risk parameters, and provision for 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 Regional Director.

15. RESTRICTIONS ON CERTAIN PAYMENTS

(a) While this ORDER is in effect, the Bank shall not declare or pay dividends, bonuses, or any other form of payment outside of the ordinary course of business resulting in a reduction of capital without the prior written approval of the Regional Director. All requests for prior approval shall be received at least 30 days prior to the proposed payment declaration date (at least 5 days with respect to any request filed within the first 30 days after the date of this ORDER) and shall contain, but not be limited to, an analysis demonstrating the impact such payment would have on the Bank's capital position, cash flow, concentrations of credit, asset quality and ALLL needs. The Regional Director will not approve a payment representing a reduction of capital unless the Regional Director determine that such payment will not have an adverse or unacceptable impact on the Bank's capital position, cash flow, concentrations of credit, asset quality, and ALLL needs.

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

16. CALL REPORTS

Within 60 days after eliminating from its books any asset in compliance with paragraph 4 and establishing an adequate ALLL in compliance with paragraph 11 of this ORDER, the Bank shall file with the FDIC amended Reports of Condition and Income which shall accurately reflect the financial condition of the Bank as of March 31, 2010, June 30, 2010, and September 30, 2010. Thereafter, during the life of this ORDER, the Bank shall file with the FDIC Reports of Condition and Income which accurately reflect the financial condition of the Bank as of the end of the period for which the Reports are filed, including any adjustment in the Bank’s books made necessary or appropriate as a consequence of any official Report of Examination of the Bank from the FDIC or the Department during that reporting period.

17. BROKERED DEPOSITS

(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 as described in 12 C.F.R. § 337.6.

18. NO MATERIAL GROWTH WITHOUT NOTICE

While this ORDER is in effect, the Bank shall notify the Regional Director at least 60 days prior to undertaking asset growth to ten percent (10 %) 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 Regional Director.

19. PROGRESS REPORTS

Within 45 days after the end of each calendar quarter following the effective date of this ORDER, and within 45 days of the end of each quarter thereafter, the Bank shall furnish written progress reports to the Regional Director 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 Income. Such reports may be discontinued when the corrections required by this ORDER have been accomplished and the Regional Director 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 minutes of the appropriate Board meeting.

20. DISCLOSURE

Following the effective date of this ORDER, the Bank shall send to its shareholders or otherwise furnish a description of this ORDER in conjunction with the Bank's next shareholder communication and also 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 Risk Management Supervision, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Room MB-5073, Washington, D.C. 20429, at least fifteen (15) days prior to dissemination to shareholders. Any changes requested to be made by the FDIC or the OFR shall be made prior to dissemination of the description, communication, notice, or statement.

The provisions of this ORDER shall not bar, estop, or otherwise prevent the FDIC, the OFR, 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 provisions of this ORDER shall have been modified, terminated, suspended, or set aside in writing.

Issued Pursuant to Delegated Authority.

Dated this 28th day of July, 2011.

/s/

By: ______________________________
Thomas J. Dujenski
Regional Director
Atlanta Region
Federal Deposit Insurance Corporation