

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of)	
)	
FIRST BANK OF DELAWARE)	CONSENT ORDER
WILMINGTON, DELAWARE)	
)	FDIC-11-669b
(INSURED STATE NONMEMBER BANK))	
_____)	

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for First Bank of Delaware, Wilmington, Delaware ("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 AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER ("Consent Agreement"), dated December 28, 2011 that is accepted by the FDIC. With the Consent Agreement, the Board has consented, without admitting or denying any charges of unsafe or unsound banking practices or violations of law or regulation relating to weaknesses in (i) Bank management; (ii) Board participation and oversight; (iii) strategic planning, including but not limited to an appropriate business plan or satisfactory profit and budget, capital, liquidity, and organizational planning; (iv) compliance with the Bank Secrecy Act, 31 U.S.C. § 5311 et seq., 12 U.S.C. § 1829b and 12 U.S.C. §§ 1951-1959, and its implementing regulations, 31 C.F.R. Chapter X and 12 C.F.R. Part 353, and 12 U.S.C. § 1818(s) and its implementing regulation, 12 C.F.R. § 326.8 (collectively referred to as "BSA"); (v) oversight and management of third parties; (vi) the Compliance Management System; and the Audit

Program, to the issuance of this Consent Order ("Consent 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:

I. TERMINATION OF E-PAYMENT PROGRAMS

Within 30 days of the effective date of this Consent Order or December 31, 2011, whichever occurs first, the Board will ensure that all E-Payment Programs, including but not limited to, any and all services, products and/or relationships pertaining to or involving payment processing by or through an automated clearing house, the origination and/or processing of remotely created checks and/or merchant acquiring (collectively "E-Payment Programs") have been wound down and terminated. The Bank may, however, continue to process charge-backs and refunds and may take such other actions necessary to satisfy the Bank's obligations to consumers. The Board must also ensure that:

A. Termination Notification: written notification of the date the particular service, product and/or relationship included in the Bank's E-Payment Programs was terminated along with satisfactory evidence of such termination is provided to the Regional Director of the FDIC's New York Regional Office ("Regional Director") within one week of the termination;

B. Assessment: within 30 days of the effective date of this Consent Order, a review and written assessment is undertaken to determine (i) the adequacy of existing reserve account balances held by the Bank to cover all liabilities, contingent or otherwise, associated with or related in any way to the E-Payment Programs (including, but not limited to, charge-backs, returns, expenses, fees, assessments and/or penalties); (ii) whether any additional reserve accounts should

be established, either by the Bank or other third parties, and, if so, the amount, and (iii) whether existing reserve accounts have been established in a manner that adequately protects the Bank's interests and clearly authorizes the Bank to take funds in the account to offset losses attributable to that particular E-Payment Programs customer;

C. Reserve Accounts: reserve accounts are established and/or enhanced in accordance with the written assessment required by paragraph B above;

D. Reserve Account Balances: the balances of the reserve accounts are maintained at the levels recommended in the written assessment required by paragraph B above until such time as each statute of limitations applicable to any claim or charge relating in any way to the associated program for which the reserve account was established has expired or receipt of the Regional Director's non-objection to a proposed balance reduction or termination of a reserve account; provided, however, that the Bank may, if instructed to do so by a court or another governmental entity, freeze, transfer, turn-over or take such other instructed action after providing the Regional Director with such instruction (this instruction will be provided to the Regional Director upon receipt by the Bank) and the Board will ensure that the Bank's reserve is appropriately adjusted; and

E. Weekly Reporting: a weekly report detailing the volume of charge-back activity or other claims relating to the E-Payment Programs on a per reserve account basis is provided to the Regional Director.

II. TERMINATION OF RELATIONSHIPS WITH MONEY SERVICES BUSINESSES

On or before February 29, 2012, the Board will ensure that any of the Bank's remaining relationships with, services to

and/or products provided to or for a Money Services Business as defined at 31 C.F.R § 1010.100 (ff) ("MSB") are wound down and terminated and that written notification of the date the particular relationship, service and/or product was terminated is provided to the Regional Director. The Board must also take all steps necessary to ensure that the Bank does not re-establish or otherwise enter into new relationships with or provide services or products to any MSB until such time as the Bank satisfactorily demonstrates that it has the infrastructure, staffing and ability to perform appropriate oversight of these relationships, services and products and has requested and obtained the approval of the Regional Director to do so.

III. Third-Party Look Back Review

On or before January 31, 2012, the Bank will engage a qualified independent firm ("Consultant") acceptable to the Regional Director to conduct a review of account and transaction activity for the time period beginning January 2, 2010 through the effective date of this Consent Order to determine whether suspicious activity involving any accounts of or transactions within or through the Bank was properly identified and reported in accordance with the applicable suspicious activity reporting requirements ("Look Back Review"). The Look Back Review must include an acceptable sampling of transactions through the Bank's E-Payment Programs to assess charge-backs, returns and similar actions for suspicious activity.

(i) Within 10 days of the engagement of the Consultant, but prior to the commencement of the Look Back Review, the Bank will submit the Consultant's engagement letter to the Regional Director for non-objection with respect to the scope, methodology and timing of the Look Back Review. The engagement letter submitted must, at a minimum, include:

(a) a description of the work to be performed under the engagement letter, the fees for each significant element of the engagement, and the aggregate fee;

(b) the responsibilities of the firm or individual;

(c) identification of the professional standards covering the work to be performed;

(d) identification of the specific procedures to be used when carrying out the work to be performed;

(e) the qualifications of the employee(s) of the independent third party who are to perform the work;

(f) the time frame for completion of the work, which may in no event exceed 45 days;

(g) any restrictions on the use of the reported findings;

(h) a provision for unrestricted access to work papers of the third party by the FDIC; and

(i) a certification that the third party firm or individual is not affiliated in any manner with a current or former employee of the Bank or any of its Senior Executive Officers (as that term is defined in 12 C.F.R. 303.101(b) or directors (current or former).

(ii) Within 60 days of receipt of the Regional Director's non-objection, the Consultant will provide a copy of the report detailing its Look Back Review findings to the Regional Director simultaneously with its delivery of report to the Board.

(iii) Within 30 days of its receipt of the Look Back Review report, the Board will ensure that all matters or transactions required to be reported, that have not previously been reported, are reported in accordance with applicable laws and regulations.

IV. PRESIDENT/CEO

Within 45 days from the effective date of this Consent Order, the Board will submit written notification to the Regional Director of the proposed President/CEO; such notification must include the proposed President/CEO's completed Interagency Biographical and Financial Report (FDIC Form No. 3064-0006) and reflect that the proposed President/CEO has the requisite knowledge, skills, ability, and experience, giving consideration to the size, complexity and risk profile of the Bank, to operate the Bank in a safe and sound manner and in compliance with applicable laws and regulations, and to restore the Bank to a satisfactory condition, including, but not limited to, ensuring that the corrective action required by this Consent Order is undertaken and completed within established timeframes.

V. OPERATIONAL PLAN

Within 90 days from the effective date of this Consent Order, the Board will, consistent with sound banking practices and taking into account the other written plans, policies or actions required by this provision and/or this Consent Order, formulate and submit a comprehensive written plan to appropriately operate the Bank ("Operational Plan") to the Regional Director for review and approval in accordance with Article XIII of this Consent Order.

The Operational Plan must cover an operating period of at least three years and contain an assessment of the Bank's current financial condition, proposed geographic market area and each product (for example, loans, investments, other assets, deposits, borrowings and other funding sources), service, activity and/or line of business the Bank proposes to offer or engage in (collectively, "Products and Services") along with a

description of the operating assumptions that form the basis for major projected income and expense components of the assessment. At a minimum, the Operational Plan must include each of the plans required by the following paragraphs as well as short-, intermediate-, and long-range planning which appropriately takes into account these required plans, the development of any other plans necessary for achieving the goals and objectives the Operational Plan establishes, procedures for monitoring performance and adherence to the plans and any policies, procedures or processes established or enhanced pursuant to these plans, and, as necessary, methods for periodic revisions.

A. Business Plan: In conjunction with the submission of the Operational Plan and then at least annually thereafter, the Board must prepare and submit a comprehensive written Business Plan covering a three year period to the Regional Director for review and approval in accordance with Article XIII of this Consent Order. The Business Plan must be based upon a comprehensive review of the Bank's existing and any proposed Products or Services, including risks (such as strategic, credit, operational, transaction, market, compliance, legal, regulatory, reputation, counterparty, third-party, concentration and any other identifiable risk associated with a particular Product or Service, collectively, "Risks") and returns of each Product or Service, existing and proposed delivery channels for each Product and Service (including, the use of any third parties), current and projected capital levels, available resources, and current and proposed geographic market area(s) and the Bank's condition. The Business Plan must also address the residual risk arising from recently terminated Products or Services (those Products or Services terminated within the last year). At a minimum, the Business Plan must address and include the following matters or items:

(i) a mission statement and the strategy to carry out its stated mission;

(ii) a thorough discussion of the Bank's existing and proposed Products and Services for the time period covered by the Business Plan with a detailed description of each Product or Service to be offered by the Bank clearly identifying and assessing associated Risks, the source and cost of funding, targeted customer category and delivery channel (including the use of any third party), along with a discussion of how the particular Product or Service would assist the Bank in attaining its stated mission;

(iii) an assessment of the Bank's current financial condition and geographic market area, any proposed market areas and a description of the operating assumptions that form the basis for major projected income and expense components with the source and cost of capital to support any projected growth;

(iv) specific strategies for improving the Bank's core earnings and maintaining the Bank's profitability in coordination with the other plans and components of the Operational Plan;

(v) a detailed analysis of any Risks attendant to current, recently terminated and proposed Products and Services together with a description of the steps to be taken to mitigate and reduce these Risks to the Bank;

(vi) plans, operating in conjunction with the Liquidity Plan required by paragraph D below, for sustaining adequate liquidity, including back-up lines of credit to meet any unanticipated liquidity pressure;

(vii) financial goals, including pro forma statements for asset growth, capital adequacy, and earnings along with specific plans to achieve and maintain capital levels at or above those established in the Capital Plan required by

paragraph C below detailing the actions to be taken to achieve and maintain the required capital levels, including but not limited to, the sale of new securities, the direct contribution of cash by existing shareholders or directors and the merger with or acquisition by another federally insured depository institution or holding company thereof.

The Bank may not offer or provide any Product or Service that was not specifically identified and fully described in a Business Plan submitted for review and approval in accordance with Article XIII of this Consent Order.

Once in place, the Bank may not materially change or deviate from its Business Plan without the prior written approval of the Regional Director. Any request to change or deviate from the Business Plan must be submitted to the Regional Director for review and written non-objection at least 60 days prior to the proposed date to implement any such change or deviation. For purposes of this Consent Order, the following will be deemed to be a major change or deviation from an approved Business Plan:

- any upward variance between projected and actual asset (both on- and off-balance sheet) or income levels exceeding 20 percent growth on a per Product or Service basis;
- any change in business strategy;
- the introduction of any customer category, Product or Service delivery channel change or Product or Service not specifically identified in a Business Plan submitted for review and approval by the Regional Director in accordance with Article XIII of this Consent Order;
- any funding source or strategy that was not specifically identified and fully described in a Business Plan

submitted for review and approval in accordance with Article XIII of this Consent Order;

- the establishment of a loan production office; and
- entry into or amendment of any contract or agreement with a third party in any way related to a Product or Service.

B. Profit and Budget Plan: In conjunction with the submission of the Operational Plan and then at least annually thereafter, the Board will prepare and submit a written Profit and Budget Plan to the Regional Director for review and non-objection in accordance with Article XIII of this Consent Order. The Profit and Budget Plan must, taking into account the Bank's Business Plan as well as the other written plans, policies, or actions required by this Consent Order, establish formal goals and strategies pertaining to improving the Bank's net interest margin, increasing the Bank's interest income, and improving and sustaining the Bank's earnings and, at a minimum:

(i) specify goals to improve the net interest margin, increase interest income, reduce discretionary expenses, and improve and sustain earnings, as well as maintain adequate provisions to the allowance for loan and lease losses ("ALLL");

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

(iii) establish realistic and comprehensive budgets;

(iv) establish appropriate budget/forecasting standards;

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

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

(vii) coordinate with the Bank's loan, investment and funds management policies;

(viii) assess the source, volatility, and sustainability of earnings, including net interest margin, given the Bank's growth projections, funding sources and asset quality;

(ix) identify the individual(s) responsible for implementing each of the goals and strategies of the Profit and Budget Plan; and

(x) establish such policies and procedures as are necessary to fully implement the Profit and Budget Plan, measure actual to projected earnings and monitor the Bank's performance.

The Board will evaluate the Bank's actual performance in relation to the Profit and Budget Plan on a quarterly basis and record the results of the evaluation/variance analysis in the minutes of the Board meeting at which such evaluation is undertaken. This evaluation/variance analysis must, at a minimum, include a detailed explanation of any material deviations from the Profit and Budget Plan; and a description of the specific corrective actions and measures implemented or proposed to address each such deviation.

C. Capital Plan: In conjunction with the submission of the Operational Plan and then at least annually thereafter, the Board will, consistent with sound banking practices, assess the capital needs of the Bank taking into account the Bank's Business Plan as well as the other written plans, policies, or actions required by this Consent Order and develop and submit a written capital plan ("Capital Plan") to the Regional Director for review and non-objection in accordance with Article XIII of this Consent Order. This Capital Plan supplants the Capital Plan required by Article IV of the *Order to Cease and Desist*,

Order for Restitution, and Order to Pay issued by the FDIC on October 9, 2008 and must, at a minimum, include:

(i) projections for asset growth and capital requirements, and such projections will be based upon a detailed analysis of the Bank's current and projected assets, liabilities (including contingent liabilities associated with the Bank's MSB relationships, services and/or products as well as the E-Payment Programs), earnings, fixed assets, and off-balance sheet activities;

(ii) projections for the amount and timing of the capital necessary to meet the Bank's current and future needs;

(iii) the primary source(s) from which the Bank will meet its capital needs;

(iv) contingency plans that identify alternative sources of capital should the primary source(s) under (iii) above not be available; and

(v) prohibitions on the declaration or payment either directly or indirectly any dividends, whether in cash, stock, or otherwise, on any class of its stock without the approval of the Regional Director upon submission for review and approval in accordance with Article XIII of this Consent Order.

The prohibition on the declaration or payment of dividends described in subparagraph (v) above is effective immediately upon the issuance of this Consent Order.

Any increase in capital contemplated by the Capital Plan may be accomplished by the sale of new securities in the form of common stock, the sale of noncumulative perpetual preferred stock, the direct contribution of cash by the directors or shareholders, merger with or acquisition by or of another federally insured depository institution or holding company thereof or any other method found acceptable to the Regional

Director upon submission for review and non-objection in accordance with Article XIII of this Consent Order.

The level of capital required to be maintained pursuant to the Capital Plan until such time as this Consent Order is terminated is in addition to a fully funded ALLL, the adequacy of which must be satisfactory to the Regional Director as determined at subsequent examinations and/or visitations; capital levels may not be maintained by virtue of a deduction from the Bank's ALLL or other reserve accounts. Further, the Bank may not lend funds directly or indirectly, whether secured or unsecured, to any purchaser of Bank or affiliate stock or other securities, or to any investor by any other means for any portion of any increase in Tier 1 capital contemplated by the Capital Plan.

D. Liquidity Plan: In conjunction with the submission of the Operational Plan and then at least annually thereafter, the Board will prepare and submit a Liquidity Plan to the Regional Director for review and non-objection in accordance with Article XIII of this Consent Order. The Liquidity Plan must appropriately identify, measure, monitor, and control funding and liquidity risk and, at a minimum:

(i) identify and analyze all current and projected liquidity risks, including, but not limited to liquidity risks posed by the E-Payment Programs, the Bank's MSB relationships, services and/or products and each of the Products or Services identified in the Business Plan;

(ii) contain an overview of appropriate strategies, policies, and procedures, including risk limits for managing and mitigating risks;

(iii) provide for active monitoring and control of liquidity risk exposures and funding needs, including, but not limited to the liquidity risk exposures and funding needs

attributable to any and all liabilities, contingent or otherwise, associated with or related in any way to the E-Payment Programs (including, but not limited to, charge-backs, returns, expenses, fees, assessments and/or penalties);

(iv) establish appropriate measurement, monitoring, and reporting systems commensurate with the Bank's risk profile and business activities, including provisions for stress testing the Bank's liquidity position under various adverse scenarios;

(v) provide for sound liquidity and funding risk management tools, including cash-flow projections, diversified funding sources, a cushion of liquid unencumbered assets, and a well-developed, documented, and Board-reviewed contingency funding plan;

(vi) prohibit the solicitation, acceptance, renewal or rolling over any "brokered deposit," as defined in Section 337.6, or the offering or payment of an effective yield on a deposit account of comparable size and maturity that exceeds the national rate, as published weekly by the FDIC at www.fdic.gov, until the Bank has applied for and been granted a waiver or has requested and received a determination that the Bank is operating in a high rate area in accordance with the provisions of Section 337.6; and

(vii) contain effective liquidity and funding internal controls and a review process for management reporting and for monitoring compliance with supervisory directives and internal policies.

The prohibition on the brokered deposits described in subparagraph (vi) above is effective immediately upon the issuance of this Consent Order; the limitation on the effective yields on deposit accounts described in subparagraph (vi) above is effective 30 days from the effective date of this Consent Order.

E. Organizational Plan: On or before January 31, 2012, the Board will provide the Regional Director with a copy of a proposed engagement letter or contract with an independent third party for review and non-objection in accordance with Article XIII of this Consent Order. This third party must be acceptable to the Regional Director and have the appropriate expertise and qualifications to analyze and assess the Bank's management and staffing needs (including, but not limited to management and staffing needs for the Compliance Management System, and BSA and OFAC¹ management and staffing needs) and the abilities, experience and other qualifications required to perform present and anticipated duties of the Bank's Chairman of the Board, directors and Senior Executive Officers as well as the appropriateness of all current and deferred compensation paid to each Director, including the Chairman of the Board, and each Senior Executive Officer in light of their competence, responsibilities and performance with a comparison of such compensation to that of insured depository institutions of comparable size and complexity, and, based on the foregoing analyses and comparisons, to identify an appropriate level of compensation for each Director, including the Chairman of the Board, and Senior Executive Officer.

(i) The contract or engagement letter must, at a minimum, include:

(a) a description of the work to be performed under the contract or engagement letter, the fees for each significant element of the engagement, and the aggregate fee;

(b) the responsibilities of the firm or individual;

¹ United States Department of Treasury's Office of Foreign Assets Control ("OFAC"). The regulations promulgated by OFAC, 31 C.F.R. Part 500, as well as all statutes, regulations, rules and/or guidelines issued or administered by OFAC are referred to herein as the "OFAC Provisions."

(c) identification of the professional standards covering the work to be performed;

(d) identification of the specific procedures to be used when carrying out the work to be performed;

(e) the qualifications of the employee(s) of the independent third party who are to perform the work;

(f) the time frame for completion of the work;

(g) any restrictions on the use of the reported findings;

(h) a provision for unrestricted access to work papers of the third party by the FDIC; and

(i) a certification that the third party firm or individual is not affiliated in any manner with a current or former employee of the Bank or any of its Senior Executive Officers or directors (current or former).

(ii) The engagement must require that this analysis and assessment be completed, summarized in a written report ("Management Report") and delivered to the Board within 60 days of the Regional Director's non-objection to the proposed engagement letter or contract, with a copy delivered simultaneously to the Regional Director for review and non-objection in accordance with Article XIII of this Order.

(iii) At a minimum, the Management Report must:

(a) with respect to the position of Chairman of the Board, giving appropriate consideration to the size and complexity of the Bank, (1) identify the authorities, responsibilities and accountabilities appropriate to the position; (2) present a clear and concise description of the relevant knowledge, skills, abilities and experience necessary for the position; and (3) present a recommendation as to appropriate compensation, if any;

(b) identify the type and number of directors needed to manage and supervise the affairs of the Bank in a safe and sound manner, detailing any vacancies and additional needs with appropriate consideration to any statutory or regulatory requirements as well as the size and complexity of the Bank, and present a recommendation as to appropriate compensation, if any;

(c) identify the type and number of Senior Executive Officers and other officer positions needed to manage and supervise the affairs of the Bank in a safe and sound manner, including, but not limited to those necessary to ensure the Bank's compliance with applicable consumer protection statutes and regulations, the BSA and OFAC Provisions, detailing any vacancies and additional needs with appropriate consideration to the size and complexity of the Bank, and recommend with respect to each such position an appropriate base salary level and bonus range, if any;

(d) identify the type and number of staff positions needed to implement the plans, policies, procedures and processes required by this Consent Order, including, but not limited to those necessary to ensure the Bank's compliance with BSA and OFAC and applicable consumer protection statutes and regulations, detailing any vacancies and additional needs;

(e) 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;

(f) present a clear and concise description of the relevant knowledge, skills, abilities, and experience necessary for each position, including delegations of authority and performance objectives;

(g) evaluate all existing directors (including the Chairman of the Board), Senior Executive Officers and staff members of the Bank, indicating whether the individuals are competent and qualified to perform present and anticipated duties, adhere to the Bank's established plans, policies, procedures and processes, and operate the Bank in a safe and sound manner;

(h) recommend a plan, consistent with the independent third party's analysis and assessment of the Bank's management and staffing needs including, but not limited to, those necessary to ensure the Bank's compliance with BSA and OFAC and applicable consumer protection statutes and regulations, to retain and/or recruit qualified directors (including the Chairman of the Board), Senior Executive Officers and personnel;

(i) recommend any additional training and development needs of the Bank not specifically identified and required by this Consent Order, as well as a plan to provide such training and development to the appropriate personnel;

(j) recommend procedures to periodically review and update the Management Plan described below and assess the performance of the Chairman of the Board and each Senior Executive Officer and staff member.

(iv) Within 30 days of receipt of the Regional Director's non-objection to the Management Report, the Board will develop a written plan of action (the "Management Plan") in response to each recommendation contained in the Management Report and a time frame for completing each action. A copy of the Management Plan and any subsequent modification thereto will be submitted to the Regional Director for review and non-objection in accordance with Article XIII of this Consent Order.

(v) Until such time as the Consent Order is terminated, the Board will provide written notification to the Regional Director of the resignations or terminations of the Chairman of the Board or any of its Senior Executive Officers (including, but not limited to the BSA/OFAC Officer and the Compliance Officer) or Board members within 15 days of the event. The Bank will also establish procedures to ensure compliance with section 32 of the Federal Deposit Insurance Act, 12 U.S.C. § 1831i, and Subpart F of Part 303 of the FDIC's Rules and Regulations, 12 C.F.R. §§ 303.100-103. In addition, the Board will provide written notification to the Regional Director of any proposed new Chairman of the Board, Senior Executive Officer (including, but not limited to the BSA/OFAC Officer and the Compliance Officer) or Board member at least 30 days prior to the date such proposed individual is to begin service; such notification will include their resume, completed Interagency Biographical and Financial Report (FDIC Form No. 3064-0006) and such other information as the Regional Director may request. Such changes will only be effective upon receipt of the Regional Director's written non-objection.

F. Third-Party Risk Management Program: In conjunction with the submission of the Operational Plan and then at least annually thereafter, the Board will develop and submit to the Regional Director, for review and non-objection in accordance with Article XIII of this Consent Order, a program with appropriate systems and controls to ensure proper management of any third parties providing services to the Bank and appropriate mitigation of third-party risk. The Bank's third-party risk management program must, at a minimum, conform to the Guidance for Managing Third-Party Risk (FIL-44-2008, issued June 6, 2008), and include the following:

- (i) identification and assessment of all existing and projected third-party risk;
- (ii) procedures to conduct due diligence and enhanced due diligence where appropriate prior to selecting third-party vendors and service providers;
- (iii) procedures to initially review contract terms to ensure adequate protections for the Bank and for on-going monitoring of compliance with contract terms by third-party vendors and service providers;
- (iv) effective oversight of third-party vendors and service providers; and
- (v) procedures to document compliance by the Bank with this program and to retain such documentation in the file established for the particular third-party vendor or service provider.

VI. BSA Plan

Within 90 days from the effective date of this Consent Order, the Board will, consistent with sound banking practices and taking into account the other written plans, policies or actions required by this provision and/or this Consent Order, formulate and submit a comprehensive written BSA plan ("BSA Plan") to the Regional Director for review and approval in accordance with Article XIII of this Consent Order. At a minimum, the BSA Plan must address all actions required by the following paragraphs as well as procedures for monitoring performance, and, as necessary, methods for periodic revisions

to ensure the Bank's compliance with the BSA and OFAC Provisions.

A. Designation of BSA and OFAC Officer:

(i) Within 60 days from the effective date of this Consent Order, the Bank will submit the name, resume, completed Interagency Biographical and Financial Report (FDIC Form No. 3064-0006) and such other information as the Regional Director may request, of a qualified individual or individuals to be responsible for coordinating and monitoring day-to-day compliance with the BSA ("BSA Officer") for review and non-objection by the Regional Director. This BSA Officer must:

(a) have sufficient executive authority to monitor and ensure compliance with the BSA;

(b) be responsible for determining the adequacy of the Bank's BSA staffing given its size and risk profile (based upon the Risk Assessment, as hereinafter defined) and for supervising such staff;

(c) report directly to the Board or the committee established pursuant to Article XIII of this Consent Order;

(d) report to the Bank's Audit Committee on a regular basis, not less than quarterly, with respect to BSA matters; and

(e) be responsible for assuring the proper and timely filing of Suspicious Activity Reports ("SARs"), Currency Transaction Reports ("CTRs"), Reports of International Transportation of Currency or Monetary Instruments ("CMIRs"), Reports of Foreign Bank and Financial Accounts ("FBARs") and any other BSA required reports.

(ii) Within 60 days from the effective date of this Consent Order, the Bank will submit the name, resume and such other information as the Regional Director may request, of a

qualified individual or individuals to be responsible for coordinating and monitoring day-to-day compliance with the OFAC Provisions and the oversight of blocked funds ("OFAC Officer") for review and non-objection by the Regional Director. This OFAC Officer must:

(a) have sufficient executive authority to monitor and ensure compliance with the OFAC Provisions;

(b) report directly to the Board or the committee established pursuant to Article XIII of this Consent Order;

(c) report to the Bank's Audit Committee on a regular basis, not less than quarterly, with respect to OFAC matters; and

(d) be responsible for assuring the proper and timely filing of, reports of blocked or rejected transactions with OFAC and any other reports required by the OFAC Provisions.

(iii) The designated BSA Officer and the OFAC Officer may be the same qualified individual or individuals.

B. System of BSA Internal Controls: Within 90 days from the effective date of this Consent Order, the Bank will develop, adopt, and implement a system of internal controls designed to ensure full compliance with the BSA ("BSA Internal Controls") taking into consideration its size and risk profile as well as the deficiencies and recommendations contained in the joint June 27, 2011 BSA Report of Examination issued by the FDIC and the Delaware Office of the State Bank Commissioner ("OSBC"). At a minimum, such system of BSA Internal Controls must include policies, procedures and processes addressing the following areas:

(i) The Bank will conduct an initial risk assessment and subsequent periodic risk assessments of the Bank's operations ("Risk Assessment") consistent with the guidance for

risk assessments set forth in the BSA/Anti-Money Laundering Examination Manual compiled by the Federal Financial Institutions Examination Council (www.ffiec.gov/bsa_aml_infobase/default.htm) (the "FFIEC BSA/AML Manual") and establish appropriate written policies, procedures and processes regarding Risk Assessments.

(ii) The Bank will review and enhance its customer due diligence policies, procedures and processes for new and existing customers to (a) be consistent with the guidance for customer due diligence ("CDD") set forth in the FFIEC BSA/AML Manual; (b) operate in conjunction with its customer identification program ("CIP"); and (c) enable the Bank to predict with relative certainty the types of transactions in which a customer is likely to engage.

(iii) The Bank will establish enhanced due diligence policies, procedures and processes to identify, document, understand and monitor new and existing high-risk customers to (a) be consistent with the guidance for enhanced customer due diligence ("EDD") set forth in the FFIEC BSA/AML Manual; and (b) operate in conjunction with its CIP and CDD policies, procedures and processes.

(iv) The Bank will, taking into account its size and risk profile (based upon the Risk Assessment), review and enhance its policies, procedures, processes and systems (both manual and automated) (a) to detect suspicious activity being conducted within or through the Bank; and (b) ensure the timely, accurate and complete filing of SARs and any other similar or related reports required by law or regulation. These policies, procedures, processes and systems must operate in conjunction with each other and be consistent with the guidance for account/transaction monitoring and reporting set forth in the FFIEC BSA/AML Manual.

C. System of OFAC Internal Controls: Within 90 days of the effective date of this Consent Order, the Bank will develop, adopt, and implement a system of internal controls designed to ensure full compliance with the OFAC Provisions taking into consideration the deficiencies and recommendations contained in the June 27, 2011 Joint BSA Report of Examination and in a manner consistent with the guidance for OFAC compliance in the FFIEC BSA/AML Manual.

D. Independent Testing: Within 90 days from the effective date of this Consent Order, and at least annually thereafter, the Bank will provide for annual independent testing for compliance with the BSA and its implementing rules and regulations to be conducted by either a qualified outside party with the requisite ability to perform such testing and analysis, or Bank personnel independent of the BSA function with the requisite ability to perform such testing and analysis. The independent testing must, at a minimum:

(i) test internal procedures for monitoring compliance with the BSA including interviews of employees who handle cash transactions and their supervisors;

(ii) sample large currency transactions followed by a review of CTR filings;

(iii) test the validity and reasonableness of the customer exemptions granted by the Bank;

(iv) test procedures for identifying suspicious transactions and the filing of SARs along with a review of the reports used by management to identify unusual or suspicious activities;

(v) review documentation on a statistically significant number of transactions that management initially identified as unusual or suspicious, but, after research, determined that SAR filings were not warranted;

(vi) test the procedures and information systems to review compliance with the OFAC Provisions;

(vii) test CIP implementation;

(viii) test the adequacy of the CDD and EDD programs to ensure that high-risk accounts are appropriately identified and monitored;

(ix) test the integrity and accuracy of management information systems used in the BSA compliance program and determine whether the reports generated provide necessary information for adequate BSA monitoring and capture the universe of transactions for that reporting area;

(x) test the recordkeeping system for compliance with the BSA; and

(xi) document the scope of the testing procedures performed and findings.

The results of each independent test, as well as any apparent exceptions noted during the testing, will be presented to the Board and the Board will record the steps taken to correct any exceptions noted, address any recommendations made during each independent test, and record its actions in the minutes of the Board meetings.

E. Training: Beginning on the effective date of the Consent Order, the Bank will take all steps necessary, consistent with sound banking practices, to ensure that all appropriate personnel are aware of, and can comply with, the requirements of the BSA and the OFAC Provisions applicable to the individual's specific responsibilities to assure the Bank's compliance with the BSA and the OFAC Provisions.

Within 90 days from the effective date of this Consent Order, the Bank will develop, adopt and implement effective training programs designed for the Board, management and staff and their specific compliance responsibilities on all relevant

aspects of laws, regulations, and Bank policies, procedures and processes relating to the BSA and the OFAC Provisions ("Training Program"). This Training Program must ensure that all appropriate personnel are aware of, and can comply with, the requirements of both the BSA and the OFAC Provisions on an ongoing basis and, at a minimum, include:

(i) an overview of the BSA and the OFAC Provisions for new staff along with specific training designed for their specific duties and responsibilities upon hiring.

(ii) training on the Bank's BSA and OFAC policies, procedures and processes along with new rules and requirements as they arise for appropriate personnel designed to address their specific duties and responsibilities.

(iii) a requirement that the Bank fully document the training of each employee with respect to both the BSA and OFAC policies, procedures and processes, including the designated BSA and OFAC Compliance Officer(s).

(iv) a requirement that training in these areas be conducted no less frequently than annually.

VII. COMPLIANCE MANAGEMENT SYSTEM

Immediately upon the effective date of this Consent Order, the Board will increase its oversight of and participation in the Bank's Compliance Management System ("CMS"), with particular focus on monitoring the activities and use of third parties by the Bank. The Board will assume full responsibility for the announcement of sound compliance objectives, approval of appropriate policies and procedures to implement these objectives and for the supervision of all of the Bank's compliance-related activities. The Board will demonstrate clear and unequivocal expectations regarding compliance with all

applicable state and Federal consumer protection laws and regulations.

A. Compliance Officer: Within 60 days from the effective date of this Consent Order, the Board will submit written notification to the Regional Director of the proposed Compliance Officer; such notification must include the proposed Compliance Officer's completed Interagency Biographical and Financial Report (FDIC Form No. 3064-0006) and reflect that the proposed Compliance Officer has the requisite knowledge and experience to establish and administer an effective CMS at the Bank. The Board will ensure that the Compliance Officer receives adequate ongoing training and sufficient time and resources, including staff assistance, to effectively oversee, coordinate, and implement the CMS. The Board will ensure that the Compliance Officer has sufficient authority and independence to implement policies and procedures, cross departmental lines, have access to all areas of the Bank's operations, effect corrective action and is assessable to both the Board and Senior Executive Officers. Additionally, the Board will ensure that:

(i) The duties and responsibilities of the Compliance Officer are clearly defined in a detailed job description which will include at a minimum:

(a) developing and reviewing compliance policies and procedures to ensure compliance with all applicable state and Federal consumer protection laws and regulations, this Consent Order and the Bank's policies, procedures, and processes, including, but not limited to, the Compliance Program required by paragraph B below;

(b) assessing emerging issues, potential liabilities, and the applicability and impact of new state or Federal consumer protection laws, regulations and/or guidance on the Products, Services and Bank as a whole;

(c) overseeing the training required by the Compliance Program established in connection with paragraph B below;

(d) reporting compliance activities and audit or review findings to the Board and providing written responses to audit reports relating to any area of the Bank's CMS;

(e) ensuring compliance deficiencies are corrected; and

(f) evaluating consumer complaints, verbal or written, and coordinating the responses to the consumer as required by the Compliance Program.

(ii) the Compliance Officer is actively involved in any and all consumer protection related matters, including the assessment and monitoring of third-party contracts, Products or Services, advertising and any other policies, programs or procedures involving consumers;

(iii) staff and resources dedicated to compliance management are commensurate with the Bank's size and structure, geographies covered, Products and Services and customers and entities served; and

(iv) the Compliance Officer, together with all parties with compliance oversight responsibility, receive the training, resources and authority necessary to effectively oversee, coordinate and implement the Bank's CMS.

B. Compliance Program: Within 90 days from the effective date of this Consent Order, the Board will develop and submit a comprehensive written compliance program ("Compliance Program") commensurate with the Bank's size and the nature and complexity of its operations to the Regional Director for review and non-objection in accordance with Article XIII of this Consent Order. The Board will review the Compliance Program at least annually and submit any subsequent modifications or revisions to the

Regional Director for review and non-objection in accordance with Article XIII of this Consent Order. The Compliance Program must, at a minimum, include:

(i) policies, controls, procedures, and processes that ensure full, complete and consistent compliance with all applicable state and Federal consumer protection laws, regulations and regulatory guidance;

(ii) effective monitoring procedures that ensure compliance with all applicable state and Federal consumer protection laws, regulations and regulatory guidance and adherence to Bank policies and procedures. At a minimum, monitoring procedures must include ongoing reviews of:

(a) all departments, divisions, branches and any Bank subsidiaries for all applicable state and Federal consumer protection laws, regulations and regulatory guidance and adherence to Bank policies and procedures;

(b) disclosures and/or calculations for each Product and Service;

(c) document filing and retention procedures;

(d) marketing and advertising materials;

(e) third-party service provider operations; and

(f) the Bank's internal compliance communication system providing Bank personnel appropriate updates regarding new and/or revised state and Federal consumer protection laws, regulations and regulatory guidance applicable to the Bank as well as new and/or revised Bank policies and procedures;

(iii) a training program related to compliance with applicable state and Federal consumer protection laws, regulations and regulatory guidance as well as Bank policies and procedures for all employees, including Senior Executive Officers and the Board, commensurate with their individual job functions and duties on a continuing basis;

(iv) an appropriate number of compliance personnel with sufficient experience in, and knowledge of, applicable state and Federal consumer protection laws, regulations and regulatory guidance as well as Bank policies and procedures to administer the CMS;

(v) clear assignment and designation of the compliance responsibilities of the Board, Senior Executive Officers, Compliance Officer, internal audit function, and any third-party auditors; and

(vi) policies and procedures establishing and maintaining a tracking system to ensure that consumer complaints, regardless of source, are thoroughly evaluated, addressed and resolved in a timely manner and that timely responses are provided to consumers.

C. Compliance Audit Plan: Within 90 days from the effective date of this Consent Order, the Board will develop and submit a comprehensive written plan for a comprehensive compliance audit function ("Compliance Audit Function") commensurate with the Bank's size and the nature and complexity of its operations to the Regional Director for review and non-objection in accordance with Article XIII of this Consent Order. The Board will review the Compliance Audit Plan at least annually and submit any subsequent modifications or revisions to the Regional Director for review and non-objection in accordance with Article XIII of this Consent Order. The Compliance Audit Function must, at a minimum, include policies, procedures, and processes that ensure:

(i) compliance audit practices and procedures that are consistent with Generally Accepted Auditing Standards and that include procedures to ensure that the internal compliance procedures of any third-party service provider utilized by the Bank are independent and adequate in scope;

(ii) a compliance audit staff comprised of a sufficient number of qualified persons with appropriate independence and objectivity;

(iii) annual assessment of the Risks associated with each Product or Service as well as for each third-party service provider utilized by the Bank ("Compliance Risk Assessment");

(iv) adequate testing, monitoring and review of the Bank's Products and Services to detect substantive deficiencies in the design or implementation of a Product or Service and/or non-compliance with applicable state and Federal consumer protection laws, regulations and regulatory guidance as well as Bank policies and procedures as well as substantive deficiencies with respect to the operations of the Bank department or area responsible for providing the Product or Service ("Compliance Testing");

(v) adequate tracking and documentation of the Compliance Risk Assessments and Compliance Testing, findings, and corrective actions taken to appropriately address findings;

(vi) completion of an internal compliance audit schedule for each calendar year that has been reviewed and approved by the Board; any planned changes to or deviations from the approved audit schedule, its scope, or content require the prior written approval of the Board or its Audit Committee appropriately reflected in the minutes of the meeting wherein the change or deviation was approved;

(vii) tracking of deficiencies and exceptions noted in compliance audit reports with periodic, but not less than quarterly, status reports to the Board with each deficiency and material exception identified, the source of the deficiency or exception and date noted, responsibility for correction assigned, and the date corrective action was taken; and

(viii) periodic, but not less than annual, review by the Board or the Bank's Audit Committee of the effectiveness of the Compliance Audit Function.

VIII. PARTICIPATION

Immediately upon the effective date of this Consent Order, the Board will increase its participation in the affairs of the Bank and will meet no less frequently than monthly. Additionally, the Board will establish specific procedures designed to ensure that it is fully informed of all material matters regarding the management, operation, and financial condition of the Bank at regular intervals and in a consistent format. The Board will prepare for each meeting in advance and follow a detailed written agenda during each meeting, during which, at a minimum, the following matters must be reviewed and approved: reports of income and expenses; capital report; loan reports, including new, past due, renewed, extended, restructured, insider (Regulation "O"), participation, commercial real estate, non-accrual, delinquent, charged-off, and recovered loans; ALLL; transactions with affiliates; investment activity; asset/liability, liquidity and funds management reports, including loans to deposits; operating policies; training reports, personnel actions; audit and supervisory reports; the minutes summarizing individual committee meetings and actions; and any other reports required by this Consent Order. The Board will also assume full responsibility for the approval of new and/or enhanced policies, plans and programs including those specifically required by this Consent Order and any other plans or policies necessary to operate the Bank in a safe and sound manner. The Board will assume full responsibility for the oversight of the CMS as well as the supervision all compliance-related activities of the

Bank. Board minutes must be detailed, maintained and recorded on a timely basis and document reviews and any related actions or discussions, including the names of any dissenting directors. Nothing in this paragraph precludes the Board from considering matters other than those contained in the agenda.

IX. CORRECTION AND PREVENTION

The Board will take all steps necessary, consistent with other provisions of this Consent Order and sound banking practices, to eliminate, correct and prevent unsafe or unsound banking practices, violations of law or regulation, and all contraventions of regulatory policies or guidelines cited in the December 6, 2010 Risk Management Report of Examination issued jointly by the FDIC and the OSBC, the Compliance Report of Examination as of March 29, 2010 issued by the FDIC and/or the December 6, 2011 Bank Secrecy Act Examination Report issued jointly by the FDIC and the OSBC (collectively the "Reports"), and will, at a minimum, develop a written project plan to eliminate, correct and prevent unsafe or unsound banking practices, violations of law or regulation, and all contraventions of regulatory policies or guidelines cited and address each deficiency and recommendation noted in the Reports by establishing a methodology to (i) identify priorities, targets, and constraints; (ii) specify the division and officer(s) responsible for addressing the deficiency or recommendation; (iii) note delivery dates and time frames for completion; and (iv) track the corrective actions. Additionally, the Board will establish adequate management supervision and Board oversight to ensure the Bank is operated in a safe, sound and compliant manner.

X. AUDIT PROGRAM

Within 90 days from the effective date of this Consent Order, the Board will develop and submit an audit program ("Audit Program") with procedures to adequately protect the integrity of the Bank's operational and accounting systems to the Regional Director for review and non-objection in accordance with Article XIII of this Consent Order. The Audit Program must, at a minimum, provide for

A. External Audits. The Bank will obtain an annual audit of its financial statements by an independent public accountant ("External Audit") until such time as the Regional Director rescinds such requirement and permits the Bank to develop and implement an External Audit Program compliant with the Interagency Policy Statement on External Auditing Programs of Banks and Savings Associations. A copy of the engagement letter with the independent public accountant, all External Audits and any management letters and qualifications relating to the External Audits must be provided to the Regional Director within 15 days of the Bank's receipt of these items. The Board will address all findings of the External Audits at its next regular meeting after receipt. Any action or inaction taken as a result of addressing the External Audits must be noted in the minutes of the Board meeting with each individual member's vote appropriately recorded.

B. Internal Audit Function. The Bank will establish an internal audit function that satisfactorily complies with the Interagency Policy Statement on Internal Audit Function and its Outsourcing ("Internal Audit Function"), appropriately considers the Bank's size as well as the nature, scope and complexity of its operations and contains procedures to adequately test the validity and reliability of the Bank's operating systems,

procedural controls, and resulting records. The Internal Audit Function must, at a minimum, provide for:

(i) an audit staff, either internal or outsourced, comprised of a sufficient number of qualified persons;

(ii) the independence and objectivity of the internal auditor, the audit staff, and the Bank's Audit Committee;

(iii) an effective compliance component, which must, work in conjunction with and complement the Compliance Audit Plan required under Article VII of this Consent Order;

(iv) an effective BSA/AML/OFAC component, which must work in conjunction with and complement the independent testing required under Article VI of this Consent Order;

(v) tracking, verification and review of management actions to address material weaknesses identified in an audit report;

(vi) tracking of deficiencies and exceptions noted in audit reports with periodic, but not less than quarterly, status reports to the Board with each deficiency and material exception identified, the source of the deficiency or exception and date noted, responsibility for correction assigned, and the date corrective action was taken;

(vii) periodic, but no less than annually, review by the Board or the Bank's Audit Committee of the effectiveness of the Bank's internal audit system(s);

(viii) an annual audit schedule with any planned changes to or deviations from the approved audit schedule, its scope, or content requiring the prior written approval of the Board or its Audit Committee appropriately reflected in the minutes of the meeting wherein the change or deviation was approved; and

(ix) provide for monthly reports of audit findings from the auditors directly to the Board. The minutes of the Board must reflect consideration of these reports and describe any discussion or action taken as a result thereof.

XI. COMPLIANCE COMMITTEE

Within 30 days from the effective date of this Consent Order, the Board will appoint a committee ("Compliance Committee") composed of the Bank's three directors who are not now, and have never been, involved in the daily operations of the Bank, to monitor the Bank's compliance with this Consent Order. If, after the effective date of this Consent Order, there is a proposed change to the composition of the Compliance Committee, such proposed change will be submitted to the Regional Director for review and non-objection in accordance with Article XIII of this Consent Order. Within 30 days of appointment and at monthly intervals thereafter, the Compliance Committee will prepare and present to the Board a written report of its findings, detailing the form, content, and manner of any action taken to ensure compliance with this Consent Order and the results thereof, and any recommendations with respect to such compliance. Such progress reports must be included in the Board meeting minutes. Nothing contained herein diminishes the responsibility of the entire Board to ensure compliance with the provisions of the Consent Order.

XII. PROGRESS REPORTS

By the 45th day after the end of the calendar quarter following the effective date of this Consent Order, and by the 45th day after the end of every calendar quarter thereafter, the Board will furnish written progress reports to the Regional Director detailing the form, content, and manner of any actions

taken to secure compliance with the Consent Order and the results thereof. Each report must provide a complete account of the Bank's actions to comply with each requirement of this Consent Order during the previous quarter, an objective assessment of the extent to which each quantifiable obligation was met, an explanation of why any particular component fell short of meeting its goal for that quarter, and any recommendations for additional actions to achieve the requirements of the Consent Order. Reports may be discontinued only following termination of this Consent Order or when the Regional Director has otherwise released the Bank in writing from making further reports.

XIII. APPROVAL AND IMPLEMENTATION

When a provision of this Consent Order requires the Board to submit proposed plans or policies, proposed revisions or additions to a plan or policy, or any other matter to the Regional Director for review, comment, non-objection or approval, the Board will make such submission to the Regional Director at Federal Deposit Insurance Corporation, 350 Fifth Avenue, Suite 1200, New York, New York 10118, with a copy to State Bank Commissioner at 555 E. Lookerman Street, Suite 210, Dover, Delaware 19901. Within 15 days of receipt of comments from the Regional Director, the Board will make such modifications as may be necessary to respond to such comments and resubmit the proposed plans or policies, proposed revisions or additions to a plan or policy, or other matter to the Regional Director for her review, comment, non-objection or approval with a copy to the State Bank Commissioner. If the Bank fails to make such modifications, or otherwise fails to address the Regional Director's comments within such 15 day period, the Board will provide a comprehensive written

explanation of its rationale to the Regional Director and the State Bank Commissioner. The Regional Director may then either (i) provide her non-objection to the modifications proposed by the Board; or (ii) instruct the Board to submit the Strategic Plan (defined below) within 90 days of the Board's receipt of such instruction.

For proposed plans or policies, proposed revisions or additions to a plan or policy, or other matters receiving the Regional Director's non-objection or approval, the Board will, at its next regularly scheduled meeting, adopt the proposed plan or policy, proposed revision or addition to a plan or policy, or other matter for which it received approval or non-objection. These actions should be appropriately reflected in the Board minutes. Thereafter, the Board and its directors, Senior Executive Officers and Bank staff will fully implement and follow the plan, policy or other matter as adopted and will enforce full and complete compliance with these plans, policies or other matters. It will remain the responsibility of the Board to ensure full implementation of the plans, policies or other matters as adopted within the specified time frames. In the event these plans, policies or other matters as adopted by the Board, or any portion thereof, are not fully implemented, the Board will immediately advise the Regional Director and the State Bank Commissioner in writing of the specific reasons for the deviation.

In lieu of undertaking the corrective action required by Articles IV-XI of this Consent Order, the Board may, within 90 days of the effective date of this Consent Order, formulate and submit to the Regional Director, for review and approval in accordance with this Article XIII, a comprehensive written business/strategic plan consistent with sound banking practices to wind-down the operations of the Bank by, among other things,

paying off, transferring and/or disposing of all of its liabilities, including, but not limited to any contingent liabilities, in an orderly manner on or before December 31, 2012 ("Strategic Plan"). The Strategic Plan must cover an operating period extending until such time as the Bank terminates its Federal deposit insurance and surrenders its charter to the OSCB and contain an assessment of its current financial condition along with a description of the operating assumptions forming the basis of its plan to wind-down operations within the required timeframe. The Strategic Plan must, at a minimum:

(i) identify and describe all assets held by the Bank;

(ii) include the Bank's plan to convert assets that are not currently cash or cash-equivalents into cash or cash-equivalent assets in such amounts as may be necessary from time to time in order to ensure that the Bank will have sufficient cash resources to pay or dispose of all deposit liabilities on or before December 31, 2012;

(iii) identify and describe all liabilities, including, but not limited to, contingent liabilities, of the Bank;

(iv) include the Bank's plan to resolve identified liabilities with a timeframe for completing each such resolution;

(v) include the Bank's plan for sustaining adequate liquidity, including back-up lines of credit to meet any unanticipated deposit withdrawals and the liability resolution plan as described in (iv) above; and

(vi) include the Bank's plan for preparing and submitting the necessary documentation to the FDIC to terminate its Federal deposit insurance and its plan for preparing and submitting the necessary documentation to the OSBC to surrender

its charter with both submissions taking place within the required timeframes.

The Board will submit the Strategic Plan to the Regional Director for review and approval in accordance with this Article XIII and will evaluate performance in relation to the Strategic Plan on a monthly basis and report the results of the evaluation and adherence to the timeframes contained in the Strategic Plan to the Regional Director and the State Bank Commissioner within twenty (20) days of each month end. In the event the Board determines that the Strategic Plan should be revised in any manner, the proposed revisions may be submitted to the Regional Director for review and approval in accordance with this Article XIII.

XIV. SHAREHOLDER NOTIFICATION AND REPORTING REQUIREMENTS

Following the effective date of this Consent Order, the Bank will send to its shareholder(s) or otherwise furnish a description of this Consent Order in conjunction with the Bank's next shareholder communication or in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description must fully describe the Consent Order in all material respects. The description and any accompanying communication, statement, or notice will be sent to the FDIC, Accounting and Securities Section, Division of Risk Management Supervision, Accounting-Registration, Disclosure and Securities Section, 550 17th Street, N.W., Washington, D.C. 20429, with a copy to the Regional Director, at least 30 days prior to dissemination to shareholders. Any changes requested to be made by the FDIC will be made prior to dissemination of the description, communication, notice, or statement.

XV. OTHER ACTIONS

It is expressly and clearly understood that if, at any time, the Regional Director deems it appropriate in fulfilling her responsibilities under applicable law to undertake any further action affecting the Bank and/or a current or former institution-affiliated party of the Bank, including, but not limited to, the imposition of civil money penalties and/or a requirement to make restitution, nothing in this Consent Order in any way inhibits, estops, bars or otherwise prevents her from doing so.

It is expressly and clearly understood that nothing herein precludes any proceedings brought by the Regional Director to enforce the terms of this Consent Order, and that nothing herein constitutes, nor may the Bank contend that it constitutes, a waiver of any right, power, or authority of any other representatives of the United States or agencies thereof, Department of Justice, the OSBC or any other representatives of the State of Delaware or any other agencies thereof, including any prosecutorial agency, to bring other actions deemed appropriate.

XVI. CONSENT ORDER EFFECTIVE

The Consent Order will be effective immediately upon the date of issuance. The provisions of this Consent Order will be binding upon the Bank, its directors, officers, employees, agents, successors, assigns, and other institution-affiliated parties of the Bank and will remain effective and enforceable except to the extent that, and until such time as, any

