FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

and

STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS

In the Matter of INDIAN VILLAGE COMMUNITY BANK GNADENHUTTEN, OHIO (Insured State Nonmember Bank)	ORDER TO CEASE AND DESIST FDIC-07-243b

Indian Village Community Bank, Gnadenhutten, Ohio ("Bank"), having been advised of its right to a NOTICE OF CHARGES AND OF HEARING detailing the unsafe or unsound banking practices and violations of law, rule, or regulation alleged to have been committed by the Bank, and of its right to a hearing on the charges under section 8(b) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b), and under section 1163.03 of the Ohio Revised Code, Ohio Rev. Code Ann. §1163.03 (Anderson), regarding hearings before the Division of Financial Institutions for the State of Ohio ("Division"), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("CONSENT AGREEMENT") with representatives of the Federal Deposit Insurance Corporation ("FDIC") and the Division, dated __March 5_, _2008 , whereby, solely for the purpose of this proceeding and without admitting or denying the charges of unsafe or unsound banking practices, and violations of law, rule or regulation, the Bank consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC and the Division.

The FDIC and the Division considered the matter and determined that they had reason to believe that the Bank had engaged in unsafe or unsound banking practices. The FDIC and the Division, therefore, accepted the CONSENT AGREEMENT and issued the following:

ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED, that the Bank, its institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and its successors and assigns, cease and desist from the following unsafe or unsound banking practices:

A. Operating with management whose policies and practices are detrimental to the Bank and jeopardize the safety of its deposits.

B. Operating with a board of directors which has failed to provide adequate supervision over and direction to the management of the Bank to prevent unsafe or unsound banking practices.

C. Operating with inadequate net interest margins.

D. Operating with an inadequate asset/liability/funds management policy.

E. Operating with inadequate liquidity in light of the Bank’s asset and liability mix.

F. Engaging in hazardous lending and lax collection practices, including, but not limited to:

- The failure to obtain proper loan documentation;
- The failure to establish and enforce adequate loan repayment programs;
- The failure to obtain current and complete financial information;
- Other poor credit administration practices.

G. Operating with an inadequate level of capital protection for the kind and quality of assets held.

H. Operating with an excessive level of adversely classified loans and delinquent loans.

I. Operating with an inadequate allowance for loans and lease losses for the volume, kind, and quality of loans and leases held.

J. Operating with an excess operational risk.

IT IS FURTHER ORDERED, that the Bank, its institution-affiliated parties, and its successors and assigns, take affirmative action as follows:

MANAGEMENT AND STAFFING

1. (a) Within 75 days from the effective date of this ORDER, the Bank shall have and retain qualified management and adequate staff. At a minimum, such management and staff shall include: (i) a new senior lending officer with an appropriate level of lending, collection, and loan supervision experience for the type and quality of the Bank’s loan portfolio, who will manage the Bank’s credit functions; (ii)adequate loan support staff and (iii) any additional staff deemed necessary by senior management. Such persons shall be provided the necessary written authority to implement the provisions of this ORDER. 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, rules, and regulations; and

(iv) Restore all aspects of the Bank to a safe and sound condition, including asset quality, capital adequacy, earnings, management effectiveness, and liquidity.

(b) During the life of this ORDER, the Bank shall notify the Regional Director of the Chicago Regional Office of the FDIC (“Regional Director”) and the Superintendent of

Financial Institutions for the Division (“Superintendent”) in writing of any changes in any of the Bank’s directors or senior executive officers. For purposes of this ORDER, “senior executive officer” is defined as in section 32 of the Act (“section 32”), 12 U.S.C. § 1831(i), and section 303.101(b) of the FDIC Rules and Regulations, 12 C.F.R. § 303.101(b), and includes any person identified by the FDIC and the Division, whether or not hired as an employee, with significant influence over, or who participates in, major policymaking decisions of the Bank.

BOARD OF DIRECTORS

2. Within 90 days from the effective date of this Order, the Bank shall add to its board of directors two new members who are independent directors. For purposes of this ORDER, a person who is an independent director shall be any individual: (a) who is not an officer of the Bank, any subsidiary of the Bank, or any of its affiliated organizations; (b) who does not own more than 5 percent of the outstanding shares of the Bank; (c) who is not related by blood or marriage to an officer or director of the Bank or to any shareholder owning more than 5 percent of the Bank’s outstanding shares, and who does not otherwise share a common financial interest with such officer, director or shareholder; and (d) who is not indebted to the Bank directly or indirectly by blood, marriage or common financial interest,

including the indebtedness of any entity in which the individual has a substantial financial interest in an amount exceeding 5 percent of the Bank’s total Tier 1 capital and allowance for loan and lease losses; or (e) who is deemed to be an independent director for purposes of this ORDER by the Regional Director and Superintendent. The addition of any new Bank director required by this paragraph may be accomplished, to the extent permissible by state statute, the Bank’s articles of incorporation, constitution, or bylaws, by means of appointment or election at a regular or special meeting of the Bank’s shareholders.

<u>DIRECTORS/SENIOR EXECUTIVE OFFICERS</u>

3. Prior to the addition of any individual to the board of directors or the employment of any individual as a senior executive officer, the Bank shall comply with the requirements of section 32 and Subpart F of Part 303 of the FDIC Rules and Regulations, 12 C.F.R. §§ 303.100-303.104. Further, the Bank shall request and obtain the Regional Director’s and Superintendent’s written approval prior to the addition of any individual to the board of directors and the employment of any individual as a senior executive officer. In order to assure adequate time for the review process, the Bank shall submit its application regarding any proposed director or senior executive officer to the Regional Director and Superintendent not less

than 30 days prior to the date required by this ORDER for that individual to be in place.

STRATEGIC PLAN

4. (a) Within 45 days from the effective date of this ORDER, the Bank shall develop and submit to the Regional Director and Superintendent for review and comment a written, comprehensive strategic plan. The plan required by this paragraph shall contain an assessment of the Bank's current financial condition and market area, and a description of the operating assumptions that form the basis for major projected income and expense components.

(b) The written strategic plan shall address, at a minimum:

(i) Strategies for providing sufficient staff levels;

(ii) Strategies for providing sufficient management succession;

(iii) Strategies for providing sufficient staff training;

(iv) Strategies for increasing earnings performance and sustaining satisfactory earnings performance, including a written profit plan;

(v) Strategies for pricing policies and asset/liability and liquidity management;

(vi) Strategies for improving capital and maintaining capital at a level consistent with the risk profile of the Bank;

(vii) Strategies for identifying new lines of business and new areas of lending, as well as identifying management's expertise in each new area;

(viii) Strategies for improving asset quality and sustaining satisfactory asset quality;

(ix) Financial goals, including pro forma statements for asset growth, capital adequacy, and earnings.

(c) Within 30 days from the receipt of all such comments from the Regional Director and Superintendent, and after revising the plan as necessary, the Bank shall adopt the plan, which adoption shall be recorded in the minutes of a board of directors' meeting. Thereafter, the Bank shall implement the plan.

(d) Within 30 days from the end of each calendar quarter following the effective date of this ORDER, the Bank's board of directors shall evaluate the Bank's actual performance in relation to the strategic plan required by this paragraph and record the results of the evaluation, and any actions taken by the Bank, in the minutes of the board of directors' meeting at which such evaluation is undertaken.

(e) Any revision of the strategic plan required by this ORDER shall be submitted to the Regional Director and Superintendent for review and comment 30 days prior to the end of each calendar year for which this ORDER is in effect. Within 30 days of receipt of all such comments from the Regional Director and Superintendent, and after consideration of all such comments, the Bank shall approve the revised plan, which approval shall be recorded in the minutes of a board of directors' meeting. Thereafter, the Bank shall implement the revised plan.

BUDGET AND PROFIT PLAN

5. (a) Within 45 days from the effective date of this ORDER, the Bank shall formulate and submit to the Regional Director and Superintendent for review and comment a written profit plan and a realistic, comprehensive budget for all categories of income and expense for calendar year 2008. The plan(s) required by this paragraph shall contain formal goals and strategies, consistent with sound banking practices, to reduce discretionary expenses and to improve the Bank's overall earnings, and shall contain a description of the operating

assumptions that form the basis for major projected income and expense components.

(b) Within 30 days from the receipt of all such comments from the Regional Director and Superintendent, and after revising the plan as necessary, the Bank shall adopt the plan, which adoption shall be recorded in the minutes of a board of directors' meeting. Thereafter, the Bank shall implement the plan.

(c) Within 30 days from the end of each calendar quarter following completion of the profit plan(s) and budget(s) required by this paragraph, the Bank's board of directors shall evaluate the Bank's actual performance in relation to the plan and budget, record the results of the evaluation, and note any actions taken by the Bank in the minutes of the board of directors' meeting at which such evaluation is undertaken.

(d) A written profit plan and budget shall be prepared for each calendar year for which this ORDER is in effect and shall be submitted to the Regional Director and Superintendent for review and comment within 30 days of the end of each year. Within 30 days of receipt of all such comments from the Regional Director and Superintendent, and after adoption of any recommended changes, the Bank shall approve the plan, which approval shall be recorded in the minutes of a board of directors’ meeting. Thereafter, the Bank shall implement and follow the plan.

ASSET/LIABILITY MANAGEMENT

6. (a) Within 60 days from the effective date of this ORDER, the Bank shall develop and submit to the Regional Director and Superintendent for review and comment a written plan addressing liquidity, the Bank’s relationship of volatile liabilities to temporary investments, rate sensitivity objectives, and overall asset/liability management. Annually thereafter during the life of this ORDER, the Bank shall review this plan for adequacy and, based upon such review, shall make appropriate revisions to the plan that are necessary to strengthen funds management procedures and maintain adequate provisions to meet the Bank’s liquidity needs. The initial plan shall include, at a minimum, provisions:

(i) Establishing a desirable range for the Bank’s ratio of total loans to total assets, and the Bank’s loan to asset ratio shall be monitored on a monthly basis and maintained at a level consistent with prudent banking practices;

(ii) Establishing a desirable range for its net non-core funding ratio as computed in the Uniform Bank Performance Report and reducing the ratio to a level consistent with prudent banking practices;

(iii) Identifying the source and use of borrowed and/or volatile funds;

(iv) Establishing appropriate lines of credit at correspondent banks, including the Federal Reserve Bank of Cleveland, that would allow the Bank to borrow funds to meet depositor demands if the Bank’s other provisions for liquidity proved to be inadequate;

(v) Requiring the retention of securities and/or other identified categories of investments that can be liquidated within one day in amounts sufficient (as a percentage of the Bank’s total assets) to ensure the maintenance of the Bank’s liquidity posture at a level consistent with short- and long-term liquidity objectives;

(vi) Establishing a minimum liquidity ratio and defining how the ratio is to be calculated, which definition shall address the deficiencies noted in the Joint Report at page 20;

(vii) Establishing contingency plans by identifying alternative courses of action designed to meet the Bank's liquidity needs;

(viii) Addressing the proper use of borrowings (i.e., seasonal credit needs, match funding mortgage loans, etc.) and providing for appropriate tenor commensurate with the use of the borrowed funds, addressing concentration of funding sources, pricing and collateral requirements with specific allowable funding channels identified (i.e., brokered deposits, internet deposits, Fed funds purchased and other correspondent borrowings);

(ix) Requiring review of interest rate risk measurement and management reports by the board of directors on a quarterly basis;

(x) Requiring independent testing of the interest rate risk measurement and monitoring system on an annual basis;

(xi) Establishing reasonable policy limits for changes in interest rate risk exposures as estimated by the Bank's interest rate risk measurement system;

(xii) Establishing procedures for managing the Bank’s sensitivity to interest rate risk that comply with the Joint Agency Statement of Policy on Interest Rate Risk (June 26, 1996), and the Joint Supervisory Statement on Investment Securities and End-user Derivative Activities (April 23, 1998); and

(xiii) Requiring revision and approval of investment and funds management policies at least annually.

(b) Within 30 days from the receipt of all such comments from the Regional Director and Superintendent, and after revising the plan as necessary, the Bank shall adopt the plan, which adoption shall be recorded in the minutes of a board of directors’ meeting. Thereafter, the Bank shall implement plan.

CAPITAL

7. (a) Within 30 days from the last day of each calendar quarter following the effective date of this ORDER, the Bank shall determine from its Report of Condition and Income its level of Tier 1 capital as a percentage of its total assets (“capital ratio”) for that calendar quarter. If the capital ratio is less than 8 percent, the Bank shall, within 60 days of the date of the required determination, increase its capital

ratio to not less than 8 percent calculated as of the end of that preceding quarterly period. For purposes of this ORDER, Tier 1 capital and total assets shall be calculated in accordance with Part 325 of the FDIC Rules and Regulations (“Part 325”), 12 C.F.R. Part 325.

(b) Any such increase in Tier 1 capital may be accomplished by the following:

(i) The sale of common stock and noncumulative perpetual preferred stock constituting Tier 1 capital under Part 325; or

(ii) The elimination of all or part of the assets classified “Loss” in the Joint Combined Report of Examination dated September 4, 2007 (“Joint Report”), without loss or liability to the Bank, provided any such collection on a partially charged-off asset shall first be applied to that portion of the asset which was not charged off pursuant to this ORDER; or

(iii) The collection in cash of assets previously charged off; or

(iv) The direct contribution of cash by the directors and/or the shareholders of the Bank; or

(v) Any other means acceptable to the Regional Director and Superintendent, or

(vi) Any combination of the above means.

(c) If all or part of the increase in capital required by this paragraph is to be accomplished by the sale of new securities, the board of directors of the Bank shall adopt and implement a plan for the sale of such additional securities, including the voting of any shares owned or proxies held by or controlled by them in favor of said plan. Should the implementation of the plan involve public distribution of Bank securities, including a distribution limited only to the Bank's existing shareholders, the Bank shall prepare detailed 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 other material disclosures necessary to comply with Federal securities laws. Prior to the implementation of the plan and, in any event, not less than 20 days prior to the dissemination of such materials, the materials used in the sale of the securities shall be submitted to the FDIC Registration and Disclosure Section, 550 17th Street, N.W., Washington, D.C. 20429 and to the Ohio Department of Commerce, Division of Financial Institutions, 77 South High Street, 21st Floor, Columbus, Ohio 43266-0121, for their review. Any changes requested to be made in the materials by the FDIC or the Division shall be made prior to their dissemination.

(d) In complying with the provisions of this paragraph, the Bank shall provide to any subscriber and/or purchaser of Bank securities 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 10 calendar days of the date any material development or change was planned or occurred, whichever is earlier, and shall be furnished to every purchaser and/or subscriber of the Bank's original offering materials.

(e) The capital ratio analysis required by this paragraph shall not negate the responsibility of the Bank and its board of directors for maintaining throughout the year an adequate level of capital protection for the kind, quality and degree of market depreciation of assets held by the Bank.

DIVIDEND RESTRICTION

8. As of the effective date of this ORDER, the Bank shall not declare or pay any cash dividend without the prior written consent of the Regional Director and Superintendent.

PROHIBITION OF ADDITIONAL LOANS TO CLASSIFIED BORROWERS

9. (a) As of 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 is already obligated in any manner to the Bank on any extension of credit (including any portion thereof) that has been charged off the books of the Bank or classified "Loss," so long as such credit remains uncollected.

(b) As of 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 whose loan or other extension of credit has been classified "Substandard", "Doubtful", or is listed for Special Mention in the Joint Report, or on the separate list, dated 09/04/07, titled "Adversely Classified Or Special Mention Assets" which was left with Bank management at the conclusion of the examination, or whose loan is classified in any subsequent examination of the Bank by the FDIC or the Division, so long as such loan or other extension of credit remains classified or uncollected, either in whole or in part.

ALLOWANCE FOR LOAN AND LEASE LOSSES

10. (a) Within 30 days from the effective date of this ORDER, the Bank shall replenish its allowance for loan and lease losses ("ALLL") in the amount of at least $125,000.

(b) Prior to submission or publication of all Reports of Condition and Income required by the FDIC and the Division after the effective date of this ORDER, the board of directors of the Bank shall review the adequacy of the Bank's ALLL, provide for an adequate ALLL, and accurately report the same. The minutes of the board meeting at which such review is undertaken shall indicate the findings of the review, the amount of increase in the ALLL recommended, if any, and the basis for determination of the amount of ALLL provided. In making these determinations, the board of directors shall consider the FFIEC Instructions for the Reports of Condition and Income and any analysis of the Bank's ALLL provided by the FDIC or the Division.

(c) ALLL entries required by this paragraph shall be made prior to any Tier 1 capital determinations required by this ORDER.

REDUCTION OF SUBSTANDARD ASSETS

11. (a) Within 45 days from the effective date of this ORDER, the Bank shall develop and submit to the Regional Director and Superintendent for review and comment a written plan to reduce the Bank's risk position in each asset in excess of $100,000 which is classified "Substandard" or "Doubtful" in the Joint Report dated September 4, 2007, or on the separate list, dated 09/04/07, titled "Adversely Classified Or Special

Mention Assets" which was left with Bank management at the conclusion of the examination. In developing such plan, the Bank shall, at a minimum:

(i) Review the financial position of each such borrower, including source of repayment, repayment ability, and alternative repayment sources; and

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

(b) Such plan shall include, but not be limited to:

(i) Dollar levels to which the Bank shall reduce each asset within six months and twelve months from the effective date of this ORDER; and

(ii) Provisions for the submission of monthly written progress reports to the Bank's board of directors for review and notation in minutes of the meetings of the board of directors.

(c) As used in this paragraph, "reduce" means to: (1) collect; (2) charge off; or (3) improve the quality of such assets so as to warrant removal of any adverse classification by the FDIC or Division.

(d) Within 30 days from the receipt of any comment from the Regional Director or Superintendent, and after the adoption of any recommended changes, the Bank shall approve the written plan, which approval shall be recorded in the minutes of a board of directors' meeting. Thereafter, the Bank shall implement and follow the written plan.

REDUCTION OF DELINQUENCIES

12. Within 45 days from the effective date of this ORDER, the Bank shall adopt and implement a written plan for the reduction and collection of delinquent loans. A copy of the written plan shall be submitted to the Regional Director and Superintendent upon its completion. The plan shall include, but not be limited to, provisions which:

(a) Prohibit the extension of credit for the payment of interest;

(b) Establish acceptable guidelines for the collection of delinquent credits;

(c) Establish dollar levels to which the Bank shall reduce delinquencies within six and twelve months from the effective date of this ORDER; and

(d) Provide for the submission of monthly written progress reports to the Bank's board of directors for review and notation in minutes of the meetings of the board of directors.

Thereafter, the Bank shall implement and follow the plan.

SPECIAL MENTION

13. Within 60 days from the effective date of this ORDER, the Bank shall correct all deficiencies in the loans listed for "Special Mention" in the Joint Report dated September 4, 2007, or on the separate list, dated 09/04/07, titled "Adversely Classified Or Special Mention Assets" which was left with Bank management at the conclusion of the examination, as well as correct the technical exceptions listed at pages 37-38 of the Joint Report.

LOAN COMMITTEE

14. As of the effective date of this ORDER, the Bank's loan committee shall meet at least monthly.

(a) The loan committee shall, at a minimum, perform the following functions:

(i) Evaluate, grant and/or approve loans in accordance with the Bank's loan policy, as revised and amended in compliance with this ORDER. The loan committee shall provide a thorough written explanation of any deviations from the loan policy, which explanation shall address how said exceptions are in the Bank's best interest. The written explanation shall be included in the minutes of the corresponding committee meeting.

(ii) Review and monitor the status of repayment and collection of overdue and maturing loans, as well as all loans classified “Substandard” in the Joint Report or that are included on the Bank’s internal watch list.

(iii) Review and give prior written approval for all advances, renewals, or extensions of credit to any borrower or the borrower’s related interests when the aggregate volume of credit extended to the borrower and the borrower’s related interests exceeds $250,000. For purposes of this ORDER, the term “related interest” is defined pursuant to section 215.2(n) of Regulation O of the Board of Governors of the Federal Reserve System, 12 C.F.R. § 215.2(n).

(iv) Review all applications for new loans and renewals of existing loans to Bank directors, executive officers, and their related interests, and prepare a written opinion as to whether the credit is in conformance with the Bank's loan policy and all applicable laws, rules, and regulations. Such applications, renewals, and written opinions shall be referred to the Bank's board of directors for consideration.

(v) Review and assess the risk to the Bank contained in all outstanding loans on the Bank's books specified under "Credit Risk" at page 3 of the Joint Report.

(vi) Maintain written minutes of the committee meetings, including a record of the review and status of the aforementioned loans.

LOAN POLICY

15. (a) Within 75 days from the effective date of this ORDER, and annually thereafter, the board of directors of the Bank shall review the Bank's loan policy and procedures for adequacy and, based upon this review, shall make all appropriate revisions to the policy necessary to strengthen lending procedures and abate additional loan deterioration. The revised, written loan policy, and any subsequent modifications thereto, shall be submitted to the Regional Director and Superintendent for review and comment upon its completion.

(b) The initial revisions to the Bank's loan policy required by this paragraph, at a minimum, shall include provisions:

(i) Establishing review and monitoring procedures to ensure that all lending personnel are adhering to established lending procedures and that the directorate is receiving timely and fully documented reports on loan activity, including any deviations from established policy;

(ii) Requiring loan committee review and monitoring of the status of repayment and collection of overdue and maturing loans, as well as all loans classified "Substandard" at this examination as of September 4, 2007, or at any subsequent examination of the Bank by the FDIC or the Division;

(iii) Requiring a written plan to lessen the risk position in each line of credit identified as a problem credit on the Bank's internal loan watch list;

(iv) Requiring prior written approval by the Bank's loan committee or board of directors for any extension of credit, renewal, or disbursement in an amount which, when aggregated with all other extensions of credit to that person and related interests of that person, exceeds $250,000. For the purpose of this paragraph “related interest” is defined as in section 215.2(n) of Regulation O, 12 C.F.R. § 215.2(n);

(v) Addressing concentrations of credit and diversification of risk, including goals for portfolio mix, establishment of limits within loan and other asset categories, and development of a tracking and monitoring system for the economic and financial condition of specific geographic locations, industries, and groups of borrowers;

(vi) Establishing standards for initiating collection efforts;

(vii) Prohibiting the extension of a maturity date, advancement of additional credit or renewal of a loan to a borrower whose obligations to the Bank are classified “Substandard” “Doubtful,” or “Loss,” whether in whole or in part, at this examination as of September 4, 2007, or at any subsequent examination of the Bank by the FDIC or the Division, without the full collection in cash of accrued and unpaid interest, unless the loans are well secured and/or are adequately supported by current and complete financial information, and the renewal or extension has first been approved in writing by a majority of the Bank’s board of directors;

(viii) Establishing guidelines for troubled debt restructures;

(ix) Requiring all loan policy exceptions to be approved by the loan committee or board of directors.

(c) Within 30 days from the receipt of any comments from the Regional Director and Superintendent, and after the adoption of any recommended changes, the board of directors shall approve the written loan policy and any subsequent modification thereto, which approval shall be recorded in the minutes of a board of directors’ meeting. Thereafter, the Bank shall implement and follow the amended written loan policy.

AUDIT AND INTERNAL ROUTINES

16. Within 90 days from the effective date of this ORDER, the Bank shall correct all deficiencies identified in the Joint Report pertaining to the audit function, internal routines and controls, information technology, the Bank Secrecy Act, and oversight of the affiliated company specified at page 11 of the Joint Report. Additionally, the Bank shall establish policies to prevent the recurrence of any deficiencies noted.

CORRECTION OF VIOLATIONS

17. (a) Within 60 days from the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of laws, rules, and regulations listed in the Joint Report.

(b) Within 60 days from the effective date of this ORDER, the Bank shall implement procedures to ensure future compliance with all applicable laws, rules, regulations and interagency guidelines.

COMPLIANCE COMMITTEE

18. (a) Within 10 days from the date of this Order, the Bank's Board shall establish a Compliance Committee to monitor the Bank's compliance with the provisions of this Order, and the Bank's written policies and procedures. The Compliance Committee shall be comprised of outside directors who are not executive officers or principal shareholders of the Bank, as those terms are defined in Section 215.2(e)&(m) of Regulation O,

12 C.F.R. §§ 215.(e)&(m). At a minimum, the Compliance Committee shall meet no less often than monthly, shall keep detailed minutes of each meeting, and shall report its findings to the Bank's Board of Directors monthly.

(b) The Compliance Committee shall ensure that the policies, plans, and procedures required by this ORDER to be submitted to the Superintendent and the Regional Director for review and approval are submitted within the required time periods, and that the approved plans, policies, and procedures are not amended or rescinded without the prior approval of the Superintendent and the Regional Director.

DISCLOSURE TO SHAREHOLDERS

19. Following the effective date of this ORDER, the Bank shall send to its shareholders a copy or description of this ORDER: (1) in conjunction with the Bank's next shareholder communication; and (2) in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe this ORDER in all material respects. The description and any accompanying communication, notice or statement shall be sent to the FDIC Registration and Disclosure Section 550 17th Street, N.W., Washington, D.C. 20429 and to the Ohio Department of Commerce, Division of Financial Institutions, 77 South High Street, 21st Floor, Columbus, Ohio 43266-0121, for review at least 20 days prior to dissemination

to shareholders. Any changes requested to be made by the FDIC or the Division shall be made prior to dissemination of the description, communication, notice or statement.

PROGRESS REPORTS

20. Within 30 days from the end of each calendar quarter following the effective date of this ORDER, the Bank shall furnish to the Regional Director and Superintendent written progress reports signed by each member of the Bank's board of directors, detailing the actions taken to secure compliance with the ORDER and the results thereof. Such reports may be discontinued when the corrections required by this ORDER have been accomplished and the Regional Director and Superintendent have, in writing, released the Bank from making further reports.

CLOSING PARAGRAPHS

The effective date of this ORDER shall be 10 calendar days after its issuance by the FDIC and the Division.

The provisions of this ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the FDIC and the Division.

Pursuant to delegated authority.

Dated: March 13, 2008.

FEDERAL DEPOSIT INSURANCE CORPORATION,
Division of Supervision and Consumer Compliance
By:

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Sylvia H. Plunkett
Regional Director
Chicago Regional Office

STATE OF OHIO
Division of Financial Institutions
By:

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John B. Reardon
Superintendent of Financial Institutions

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Robert E. True
Deputy Superintendent
For Savings and Loan Associations and Savings Banks