FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

In the Matter of	)	
	)	**ORDER TO**
BANKHAVEN,	)	**CEASE AND DESIST**
HAVEN, KANSAS	)	
	)	**FDIC-08-108b**
(Insured State Nonmember Bank)	)	

BankHaven, Haven, Kansas ("Bank"), having been advised of its rights to a NOTICE OF CHARGES AND OF HEARING detailing the unsafe or unsound banking practices and violations of law and regulation alleged to have been committed by the Bank, as well as of its rights to a hearing on the charges under section 8(b) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("CONSENT AGREEMENT") dated June 9, 2008, with counsel for the Federal Deposit Insurance Corporation ("FDIC"), whereby, solely for the purpose of this proceeding and without admitting or denying any unsafe or unsound banking practices and violations of law and regulation, the Bank consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC.

The FDIC considered the matter and determined that it had reason to believe that the Bank had engaged in unsafe and unsound banking practices and violations of law and regulation. The FDIC, 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 and violations of law and regulation:

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 that has failed to provide adequate supervision over and direction to the management of the Bank.

C. Operating with an inadequate level of capital protection for the kind and quality of assets held and appropriate to the risk inherent in the activities engaged in by the Bank.

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

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

1. the failure to obtain proper loan documentation;

2. the failure to establish and monitor collateral margins of secured borrowers;

3. the failure to establish and enforce adequate loan repayment programs;

4. the failure to obtain current and complete financial information;

5. the extension of credit with inadequate diversification of risk;

6. the extension of credit without adequate analysis of borrower repayment capacity; and

7. other poor credit administration practices.

F. Operating with an excessive level of adversely classified loans or assets.

G. Operating with heightened interest rate sensitivity risk.

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

I. Violating laws and regulations, including:

1. the real estate appraisal requirements of Part 323 of the FDIC Rules and Regulations, 12 C.F.R. Part 323;

2. the financial recordkeeping requirements of Part 103 of the Treasury Department regulations, 31 C.F.R. Part 103; and

3. the insider lending requirements of Part 215 of Federal Reserve Regulation O, 12 C.F.R. Part 215.

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

1. Qualified Management.

(a) Within 90 days from the effective date of this ORDER, the Bank shall have qualified management, including a chief executive officer and a number and type of senior officers appropriate to the size and complexity of the Bank. Each officer shall have the requisite knowledge, skills, ability, and experience 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 financial condition. The officers' focus shall include, but not be limited to, capital adequacy, asset quality, management effectiveness, earnings, liquidity, sensitivity to market risk, information technology, and Bank Secrecy Act/Anti-Money Laundering compliance. Each member of management shall be provided appropriate written authority from the board of directors to implement the provisions of this ORDER.

(b) For purposes of this paragraph, to have “qualified management,” the Bank shall add at least one senior executive officer whose responsibilities include assisting in:

(i) supervision of the lending function;

(ii) strategic planning; and

(iii) the Bank’s compliance with the ORDER.

(c) Immediately and periodically during the life of this ORDER, but no less frequently than annually, the board of directors shall assess management on its ability to:

(i) comply with the requirements of this ORDER, all applicable State and Federal laws and regulations, FDIC and FFIEC policy statements and the Bank’s approved policies and procedures; and

(ii) restore and thereafter maintain the Bank in a safe and sound condition, including, but not limited to, capital adequacy, asset quality, earnings, management effectiveness, liquidity, sensitivity to market risks, information technology, and Bank Secrecy Act/Anti-Money Laundering compliance.

(d) Within 120 days from the effective date of this ORDER, the Bank will prepare and submit a management succession plan. The Bank shall submit the plan to the Regional Director of the FDIC’s Kansas City Regional Office (“Regional Director”) and the

Commissioner of the Kansas State Banking Department ("Commissioner") for review and comment. Within 30 days of receipt of all such comments from the Regional Director and the Commissioner, and after due consideration of all such comments, the Bank shall approve the revised plan, which approval shall be recorded in the board meeting minutes.

2. Minimum Capital Requirements.

(a) Within 90 days of the effective date of this ORDER, the Bank shall achieve and maintain the following minimum capital levels, as defined in Part 325 of the FDIC's Rules and Regulations, after establishing an appropriate allowance for loan and lease losses:

(i) Tier 1 capital at least equal to 7 percent of total assets; and

(ii) Total risk-based capital at least equal to 10 percent of total risk-weighted assets.

(b) The Bank shall comply with the FDIC's Statement of Policy on Risk-Based Capital found in Appendix A to Part 325 of the FDIC Rules and Regulations, 12 C.F.R. Part 325, App. A.

(c) In the event any ratio falls below the established minimum, the Bank shall notify the Regional Director and the Commissioner and shall increase capital in an amount sufficient to comply with this provision within 90 days.

3. <u>Capital Plan</u>.

(a) Within 90 days of the effective date of this ORDER, the Board shall develop a three-year capital plan and submit the plan to the Regional Director and the Commissioner for review and comment. Within 30 days of receipt of all such comments from the Regional Director and the Commissioner, and after due consideration of all such comments, the Bank shall approve the revised plan, which approval shall be recorded in the board meeting minutes. Thereafter, the Bank shall implement and fully comply with the capital plan. The Board shall review and update the Bank's capital plan on an annual basis, or more frequently if necessary. Copies of the reviews and updates shall be submitted to the Regional Director and the Commissioner. At a minimum, the program shall include:

(i) specific plans for the maintenance of adequate capital that may in no event be less than the requirements of paragraph 2;

(ii) projections for asset growth and capital requirements, which projections shall be based upon a detailed analysis of the Bank's current and projected assets, liabilities, earnings, fixed assets, and off-balance sheet activities, each of which shall be consistent with the Bank's strategic business plan;

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

(iv) the primary source(s) from which the Bank will strengthen its capital to meet the Bank’s needs;

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

(vi) a dividend policy that permits the declaration of a dividend only when:

(A) the Bank is in compliance with its approved capital program;

(B) the Bank is in compliance with applicable State and Federal laws and regulations;

(C) after payment of such dividends, the Bank remains in compliance with the above minimum capital ratios; and

(D) such declaration and payment of dividends has been approved in advance by the board of directors.

(b) Any increase in capital necessary to meet the requirements of the provisions of this paragraph may be accomplished by the following:

(i) the sale of new securities in the form of common stock;

(ii) the sale of noncumulative perpetual preferred stock;

(iii) the direct contribution of cash by the directors, shareholders, or parent holding company of the Bank; or

(iv) any other method acceptable to the FDIC and approved in advance in writing by the Regional Director.

(c) No increase in Tier 1 capital necessary to meet the requirements of this ORDER may be accomplished through a deduction from the Bank's allowance for loan and lease losses or other reserve accounts. Further, the Bank shall not lend funds directly or indirectly, whether secured or unsecured, to any purchaser of institution or affiliate stock or other securities, or to any investor by any other means for any portion of any increase in Tier 1 capital required herein.

4. Increase In Capital.

(a) If all or part of the increase in capital required by the provisions of this paragraph is 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 or controlled by them in favor of the plan. Should the implementation of the plan involve a public distribution of the Bank's securities, including a distribution limited only to the Bank's existing shareholders, the Bank shall prepare offering materials fully describing the securities being offered, including an accurate description of the financial condition of the Bank and the circumstances giving rise to the offering, and any other material disclosures necessary to comply with the Federal securities laws. Prior to the implementation of the plan and, in any event, not less than 20 days prior to the dissemination of such materials, the plan and any materials used in the sale of the securities shall be submitted to the Regional Director, the Commissioner and the FDIC's Registration, Disclosure, and Securities Unit, 550 17th Street, N.W., Room F-6053, Washington, D.C. 20429 for review. Any changes requested by the FDIC and the Commissioner to be made in the plan or materials shall be made prior to the plan's dissemination. If the Regional Director allows any part of the increase in Tier 1 capital to be provided by the sale of noncumulative perpetual preferred stock, then all terms and conditions of the issue, including but not limited to those terms and conditions relative to the interest rate and any convertibility factor, shall be presented to the Regional Director and the Commissioner for prior approval.

(b) In complying with the provisions of this paragraph, the Bank shall provide to any subscriber and/or purchaser of the Bank's 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 30 days from the date such material development or change was planned or occurred, whichever is earlier, and shall be furnished to every subscriber and/or purchaser of the Bank's securities who received or was tendered the information contained in the Bank's original offering materials.

5. Maintenance of Allowance for Loan and Lease Losses.

(a) Within 30 days from the date of this ORDER, the board of directors shall make a provision of at least $350,000 to replenish the allowance for loan and lease losses ("allowance") for the loans charged off as a result of the most recent examination and reflect the potential for further losses in the remaining loans or leases classified "Substandard" in the FDIC's Report of Examination dated February 11, 2008 ("Report of Examination"), as well as all other loans and leases in its portfolio.

(b) Within 90 days from the effective date of this ORDER, the board shall establish a comprehensive policy and methodology for determining the appropriate allowance. The policy shall provide for a review of the allowance at least once each calendar quarter and be completed at least 30 days prior to the end of each quarter in order that the results of the review conducted by the board may be properly reported in the quarterly Reports of Condition and Income. Such reviews shall, at a minimum, include the following:

(i) the Federal Financial Institutions Examination Council's Instructions for the Reports of Condition and Income, the Interagency Statement of Policy on the Allowance for Loan and Lease Losses, other applicable regulatory guidance that addresses the appropriate allowance, and any analysis of the allowance provided by the FDIC and the Commissioner;

(ii) the volume and mix of the overall loan portfolio, including trends in the portfolio mix by loan type and geography, trends in the severity of nonperforming or delinquent loans, trends in the severity of weaknesses in extensions of credit identified as "Special Mention" and adversely classified in the Report of Examination;

(iii) previous loan loss experience by loan type, including the level, trends, and severity of overdrafts, trend of net charge-offs as a percent of average loans over the past several years, as well as an analysis of net charge-offs experienced on previously adversely classified loans;

(iv) the degree of risk associated with renewed and extended loans;

(v) the volume, trend, rate and duration of loan growth;

(vi) the results of internal loan reviews;

(vii) concentrations of credit and significant individual credits;

(viii) present economic conditions, generally and locally; and

(ix) any other factors appropriate in determining future allowances, including changes in the Bank’s strategic plan, and loan products and markets.

(c) A deficiency in the allowance shall be remedied in the calendar quarter in which it is discovered by a charge to current operating earnings prior to any Tier 1 capital determinations required by this ORDER and prior to the Bank’s submission of its Report of Condition and Report of Income. The board shall thereafter maintain an appropriate allowance.

(d) The Bank shall submit the policy to the Regional Director and the Commissioner for review and comment. Within 30 days from receipt of any comment from the Regional Director and the Commissioner, and after due consideration of any recommended changes, the Bank shall approve the policy, which approval shall be recorded in the board meeting minutes. Thereafter, the Bank shall implement and fully comply with the policy.

6. Dividend Restriction.

While this ORDER is in effect, the Bank shall not declare or pay any cash dividends without the prior written approval of the Regional Director and the Commissioner.

7. Charge-off of Adversely Classified Assets and Contingent Liabilities.

(a) Within 30 days from the effective date of this ORDER, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified “Loss” in the Report of Examination that have not been previously collected or charged off.

(b) Elimination or reduction of assets through proceeds of other loans made by the Bank is not considered collection for purposes of this provision.

8. Reduction of Adversely Classified Assets.

(a) Within 60 days from the effective date of this ORDER, the Bank shall develop and submit to the Regional Director and Commissioner a written plan to reduce the Bank’s risk exposure in each asset in excess of $100,000 classified “Substandard” in the Report of Examination. For purposes of this provision, “reduce” means to collect, charge off, or improve the quality of an asset so as to warrant its removal from adverse classification by the FDIC and the Commissioner. In developing the plan mandated by this paragraph, the Bank shall, at a minimum, and with respect to each adversely classified loan or lease, review, analyze, and document the financial position of the borrower, including source of repayment, repayment ability, and alternative repayment sources, as well as the value and accessibility of any pledged or assigned collateral, and any possible actions to improve the Bank's collateral position.

(b) In addition, the plan mandated by this provision shall also include, but not be limited to, the following:

(i) a schedule for reducing the outstanding dollar amount of each adversely classified asset, including a schedule for achieving the reduced dollar amounts (at a minimum, the schedule for each adversely classified asset must show its expected dollar balance on a quarterly basis);

(ii) a schedule showing, on a quarterly basis, the expected consolidated balance of all adversely classified assets, and the ratio of the consolidated balance to the Bank's projected Tier 1 capital plus the allowance for loan and lease losses;

(iii) a provision for the Bank's submission of monthly written progress reports to its board of directors; and

(iv) a provision mandating board review of the progress reports, with a notation of the review recorded in the board meeting minutes.

(c) The Bank shall submit the plan to the Regional Director and the Commissioner for review and comment. Within 30 days from receipt of any comment from the Regional Director and the Commissioner, and after due consideration of any recommended changes, the Bank shall approve the plan, which approval shall be recorded in the board meeting minutes. Thereafter, the Bank shall implement and fully comply with the plan.

9. Restrictions on Advances to Adversely Classified Borrowers.

(a) While this ORDER is in effect, the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who has a loan or other extension of credit or obligation with the Bank that has been, in whole or in part, charged off or classified "Substandard" or “Loss” in the Report of Examination and is uncollected. The requirements of this paragraph shall not prohibit the Bank from renewing, after collecting in cash all interest and fees due from a borrower, any credit already extended to the borrower.

(b) Paragraph 9(a) shall not apply if the Bank’s failure to extend further credit to a particular borrower would be detrimental to the best interests of the institution and the

Bank's board of directors approves the loan and supports its action in the board minutes. Prior to extending additional credit pursuant to this paragraph, whether in the form of a renewal, extension, or further advance of funds, the board of directors must conclude and fully document in its written minutes that:

(i) the failure of the Bank to extend such credit would be detrimental to the best interests of the Bank, with an explanation of why it would be detrimental;

(ii) the extension of such credit would improve the Bank's position, with an explanation of why the Bank's position would improve; and

(iii) an appropriate workout plan has been developed and will be implemented in conjunction with the additional credit to be extended.

(c) The board of directors' conclusions and loan approval shall be made a part of the board meeting minutes, with a copy retained in the borrower's credit file.

10. Correction of Technical Exceptions.

(a) Within 90 days from the effective date of this ORDER, the Bank shall correct the exceptions listed on the "Assets with Credit Data or Collateral Documentation Exceptions" pages of the Report of Examination. For any exception that cannot be corrected, the Bank shall document the reasons for such failure in the borrowers' credit file, and the board of directors shall review and include the documentation in the board meeting minutes.

(b) The Bank shall obtain and evaluate all necessary supporting documentation before any loan or other credit is extended.

(c) Progress reports detailing each outstanding exception and the Bank's plan for corrective action shall be submitted to the board for review during each regularly scheduled meeting. The review shall be noted in the board meeting minutes.

11. Loan Underwriting and Administration.

Within 60 days of the effective date of this ORDER, the Bank shall revise its loan policy to require the following:

(a) Each loan officer shall prepare a report of every loan that deviates from the loan policy. The report shall provide a thorough, written explanation of the deviations and, in particular, shall state how such exceptions are in the best interest of the Bank. The report shall be included in the borrower's credit file.

(b) Bank management shall conduct a periodic review of the loan portfolio and prepare a report, identifying problem loans, and in particular those loans to be included on the Bank's internal watch list.

(c) Bank management shall review, monitor, and report on the status of repayment and collection of overdue and maturing loans, all loans classified "Substandard" or "Doubtful" in the most recent report of examination, and all loans included on the Bank's internal watch list.

(d) Each report required in this paragraph shall be reviewed by the board of directors, which review shall be noted in the board meeting minutes.

Thereafter, the Bank shall implement and comply with the revised loan policy.

12. Concentrations Of Credit.

(a) Within 90 days from the effective date of this ORDER, the Bank shall develop and submit a written plan to the Regional Director and the Commissioner for systematically reducing and monitoring the Bank's portfolio of loans, securities, or other extensions of credit advanced or committed, directly or indirectly, to or for the benefit of any borrowers (the "concentration plan") as listed in the "Concentrations" section of the Report of Examination to an amount which is commensurate with the Bank's business strategy, management expertise, size, and location. At a minimum, the plan shall include:

(i) dollar levels and percent of capital to which the Bank shall reduce each concentration;

(ii) a schedule for achieving the reduction in dollar levels identified in response to (i) above;

(iii) provisions for the submission of monthly written progress reports to the Bank's board of directors for review and notation in board meeting minutes; and

(iv) procedures for monitoring the Bank's compliance with the plan.

(b) The Bank shall submit the concentration plan to the Regional Director and the Commissioner for review and comment. Within 30 days of receipt of all such comments from the Regional Director and the Commissioner, and after due consideration of all such comments, the Bank shall approve the revised plan, which approval shall be recorded in the board meeting minutes. Thereafter, the Bank shall implement and fully comply with the concentration plan.

(c) The Bank shall not make any new extensions or commitments of credit to or for the benefit of any borrower or associated entities if such extension or commitment would result in the Bank exceeding any limit contained in the concentration plan.

13. Strategic Planning Policy.

(a) Within 90 days, the Bank shall develop and submit a written policy to the Regional Director and the Commissioner governing the Bank’s strategic planning process. At a minimum, the policy shall include formulating and maintaining a strategic plan which includes short-, intermediate-, and long-range planning, the development of projects or plans for achieving the goals and objectives set forth in the strategic plan, procedures for monitoring performance, and, as necessary, methods for periodic revisions to the strategic plan.

(b) The Bank shall submit the policy to the Regional Director and the Commissioner for review and comment. Within 30 days from the receipt of any such comments from the Regional Director and the Commissioner, and after due consideration of any recommended changes, the Bank shall approve the policy, which approval shall be recorded in the board meeting minutes. The Bank shall thereafter implement and enforce the policy.

14. Profit and Budget Plan.

Within 90 days from the effective date of this ORDER, the board of directors shall develop and submit to the Regional Director and the Commissioner a written profit plan consisting of goals and strategies, consistent with sound banking practices, and taking into account the Bank’s other written plans, policies, or other actions as required by this Order. The profit plan and any subsequent modification thereto shall be submitted to the Regional Director and the Commissioner for review and comment. No more than 30 days after the receipt of any comment from the Regional Director and the Commissioner, and after due consideration of such comments, the board of directors shall approve the profit plan, which approval shall be recorded in the board meeting minutes. Thereafter, the Bank shall fully implement the profit plan and any subsequently approved modification. The written profit plan shall include, at a minimum:

(a) a description of the operating assumptions that form the basis for, and adequately support, material projected revenue and expense components;

(b) coordination of the Bank’s loan, investment, funds management, and operating policies, strategic plan, and allowance for loan and lease loss methodology with the profit and budget planning; and

(c) a budget review process by the board of directors to monitor the revenue and expenses of the Bank whereby actual performance is compared against budgetary projections not less than quarterly, recording the results of the evaluation and any actions taken by the Bank in the board meeting minutes.

15. <u>Elimination and/or Correction of Violations of Laws, Rules, and Regulations</u>.

(a) Within 90 days after the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of laws, rules, and regulations in the Report of Examination. In addition, within 30 days from the effective date of this ORDER, the Bank shall adopt and implement appropriate procedures to ensure future compliance with all applicable laws, rules, and regulations.

(b) Within 90 days after the effective date of this ORDER, the Bank shall eliminate and/or correct all contraventions of policy cited in the Report of Examination. In addition, within 30 days from the effective date of this ORDER, the Bank shall adopt and implement appropriate procedures to ensure future compliance with all applicable policies.

(c) For any violation or contravention that can not be corrected, the Bank shall document the reasons for such failure, which shall be reviewed by the board of directors at its next monthly meeting and made a part of its minutes.

16. <u>Asset/Liability Management Policy</u>.

(a) Within 120 days from the effective date of this ORDER, the board of directors shall implement procedures to ensure the Bank complies with its asset/liability management policy.

(b) Any exceptions to the asset/liability management policy shall be reviewed by the board and its review and response shall be documented in the board meeting minutes.

17. Payments to Affiliates.

(a) Within 60 days of the effective date of this ORDER, the Bank shall adopt and submit to the Regional Director and the Commissioner for approval a policy regarding its relationship with any affiliate, as that term is defined in 12 U.S.C. § 371c(b)(1), including in particular the Bank holding company ("affiliate policy"). The affiliate policy shall, at a minimum:

(i) limit the payment of any management, consulting, or other fees, directly or indirectly, to or for the benefit of an affiliate, to those fees paid in connection with contracted and necessary services actually performed by the affiliate on behalf of or for the benefit of the Bank; and

(ii) require that, prior to the Bank entering into a transaction with an affiliate, the board of directors:

1) review all transactions with affiliates;

2) determine that the service is necessary and the related fee amount is appropriate;

3) determine that the transaction complies with the requirements of Sections 23A and 23B of the Federal Reserve Act, 12 U.S.C.§§ 371c and 371c-1, respectively; and

4) approve the transaction and record its review and approval in the board meeting minutes.

(b) The affiliate policy shall be submitted to the Regional Director and the Commissioner for review and comment. No more than 30 days after the receipt of any comment from the Regional Director and the Commissioner and, after due consideration of such comments, the board of directors shall approve the affiliate policy, which approval shall be recorded in the board meeting minutes. Thereafter, the Bank shall implement and comply with the affiliate policy.

18. Reports of Condition and Income.

(a) Within 30 days from the effective date of this ORDER, the Bank shall review all Reports of Condition and Income filed with the FDIC on and after December 31, 2007, and shall amend and file with the FDIC amended Reports of Condition and Income, in accordance with the Reports of Condition and Income Instructions, which accurately reflect the financial condition of the Bank as of the date of each such Report. Amended Reports of Condition and Income are to be filed if previously submitted reports contain significant errors as dictated by the Instructions for Preparation of Reports of Condition and Income.

(b) In addition and during the life of this ORDER, the Bank shall file with the FDIC Reports of Condition and Income that accurately reflect the financial condition of the Bank as of the reporting period. In particular, such Reports shall incorporate any adjustment in the Bank's books made necessary or appropriate as a consequence of any State or FDIC examination of the Bank during that reporting period, to include:

(i) provision for loan losses and an allowance for loan and lease losses which are appropriate considering the condition of the Bank's loan portfolio;

(ii) the elimination from the Bank's books of any asset in compliance with this ORDER; and

(iii) other restatements as detailed in the State or FDIC examination of the Bank, or as required under this ORDER.

19. Program for Monitoring Bank's Compliance with Order.

Within 30 days from the effective date of this ORDER, the board of directors shall adopt and implement a program providing for monitoring of the Bank's compliance with this ORDER.

20. Disclosure of Order to Shareholders.

Following the effective date of this ORDER, the Bank shall provide to its shareholders or otherwise furnish a description of this ORDER, (i) in conjunction with the Bank's next shareholder communication, and (ii) in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe the ORDER in all material respects. The description and any accompanying communication, statement, or notice shall be sent to the FDIC, Division of Supervision and Consumer Protection, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Room F-6066, Washington, D.C. 20429 for review at least 20 days prior to dissemination to shareholders. Any changes requested to be made by the FDIC shall be made prior to dissemination of the description, communication, notice, or statement.

21. Progress Reports Detailing Compliance with ORDER.

(a) Within 30 days of the end of the first calendar quarter following the effective date of this ORDER, and within 30 days of the end of each calendar quarter thereafter, the Bank shall furnish written progress reports to the Regional Director and the Commissioner detailing the form, manner, and results of any actions taken to secure compliance with this ORDER. Such written progress reports shall provide cumulative detail of the Bank's progress toward achieving compliance with each provision of the ORDER, including at a minimum:

(i) description of the identified weaknesses and deficiencies;

(ii) provision(s) of the ORDER pertaining to each weakness or deficiency;

(iii) actions taken or in-process for addressing each weakness and deficiency;

(iv) results of the corrective actions taken;

(v) the Bank's status of compliance with each provision of the ORDER; and

(vi) appropriate supporting documentation.

(b) Progress reports may be discontinued when the Regional Director has, in writing, released the Bank from making additional reports.

The ORDER shall be effective immediately upon its issuance by the FDIC.

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.

Issued Pursuant to Delegated Authority.

Dated: June 11, 2008

By:

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Mark S. Moylan
Deputy Regional Director
Kansas City Regional Office