FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

In the Matter of NEW FRONTIER BANK GREELEY, COLORADO (Insured State Nonmember Bank)	)	ORDER TO CEASE AND DESIST FDIC-08-320b

NEW FRONTIER BANK, GREELEY, COLORADO ("Bank"), through its board of directors, having been advised of its right to the issuance and service of a NOTICE OF CHARGES AND OF HEARING detailing the unsafe or unsound banking practices and violations of law and regulations alleged to have been committed by the Bank and of its right to a hearing on the alleged 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") with counsel for the Federal Deposit Insurance Corporation ("FDIC") dated December 2, 2008, whereby, solely for the purpose of this proceeding and without admitting or denying the alleged charges of unsafe or unsound banking practices and violation of law and regulations, 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 or unsound banking practices and had violated laws and regulations. The FDIC, therefore, accepted the CONSENT AGREEMENT and issued the following:

ORDER TO CEASE AND DESIST

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

1. Operating the Bank with an inadequate level of capital protection for the kind and quality of assets held by the Bank.
2. Operating the Bank with an excessive volume of adversely classified assets.
3. Failing to provide an adequate allowance for loan and lease losses for the volume, kind and quality of loans and leases held.
4. Failing to accurately reflect the condition of the Bank in published statements and Consolidated Reports of Condition and Income.
5. Operating the Bank without adequate liquidity or proper regard for funds management in light of the Bank's asset and liability mix.
6. Operating the Bank with management whose policies and practices are detrimental to the Bank and jeopardize the safety of its deposits.
7. Operating the Bank without adequate supervision and direction by the Bank's board of directors over the management of the Bank to prevent unsafe and unsound banking practices and violations of laws or regulations.

8. Operating the Bank in violation of applicable Federal and State laws and regulations.

9. Operating the Bank with a heavy reliance on short-term potentially volatile deposits as a source for funding longer-term investments.

10. Creating concentrations of credit.

11. Operating the Bank in contravention of written loan polices and procedures.

12. Operating the Bank with inadequate earnings to fund growth, support dividend payments, and augment capital.

13. Operating the Bank with uncontrolled growth without regard to capital protection.

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

<u>CAPITAL</u>

1. (a) Within 30 days after the effective date of this ORDER, the Bank shall submit a written plan ("Capital Plan") to achieve and maintain its Capital by an amount, after establishing an Allowance for Loan and Lease Losses ("ALLL"), that results in Tier 1 Capital equal to or greater than 8 percent of Total Assets and results in Total Risk-Based Capital equal to or greater than 12 percent of Total Risk-Weighted Assets. After the Regional Director or FDIC's Dallas Region ("Regional Director") and the Commissioner of the Colorado Division of Banking ("Commissioner") respond to the Capital Plan, the Bank's board of directors shall adopt the Capital Plan, including any modifications or amendments requested by the Regional Director and the Commissioner. Thereafter, the Bank shall immediately initiate measures detailed in the Capital Plan, to the extent such measures have not previously been initiated, to increase its Tier 1 Capital ratio to 8 percent and/or the Total Risk-Based Capital ratio to 12 percent within 30 days

after the Regional Director and the Commissioner respond to the Capital Plan. The necessary actions to recapitalize the Bank and to increase the Bank's Tier 1 Capital and Total Risk-Based Capital necessary to meet the required capital ratios required by this ORDER may be accomplished by, but not limited to, the following:

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

(ii) The sale of Bank assets; or

(iii) The direct contribution of cash subsequent to September 22, 2008, by the directors and shareholders of the Bank or by the Bank's holding company; or

(iv) The acceptance of an offer to be acquired by a depository institution holding company, subject to Federal and State regulatory approval; or

(v) The acceptance of an offer to be acquired by an FDIC insured depository institution, subject to Federal and State regulatory approval; or

(vi) The acceptance of an offer to be acquired by a third party, subject to Federal and State regulatory approval; or

(vii) Receipt of an income tax refund or the capitalization subsequent to September 22, 2008, of a bona fide tax refund certified as being accurate by a certified public accounting firm; or

(viii) Any other method approved by the Regional Director and the Commissioner.

(b) Subsequently, if the ratios of Tier 1 Capital and/or Total Risk-Based Capital are less than 8 percent and 12 percent, respectively, as determined by the FDIC or the Colorado Department of Regulatory Agencies, Division of Banking ("State"), the Bank shall take the necessary action, within 30 days after receipt of a written notice of the capital deficiency from the Regional Director and the Commissioner, and present to the Regional Director and the Commissioner a plan ("Revised Capital Plan") to increase the Tier 1 Capital and/or Total Risk-Based Capital by an amount sufficient to bring the Tier 1 Capital ratio to 8 percent and/or the Total Risk-Based Capital ratio to 12 percent. After the Regional Director and the Commissioner respond to the Revised Capital Plan, the Bank's board of directors shall adopt the Revised Capital Plan, including any modifications or amendments requested by the Regional Director and the Commissioner. Thereafter, the Bank shall immediately initiate measures detailed in the Revised Capital Plan, to the extent such measures have not previously been initiated, to increase its Tier 1 Capital ratio to 8 percent and/or the Total Risk-Based Capital ratio to 12 percent within 30 days after the Regional Director and the Commissioner respond to the Revised Capital Plan.

(c) If all or part of the increase in Tier 1 Capital and/or Total Risk-Based Capital required by this ORDER is to be accomplished by the sale of new securities, the Bank's board of directors shall adopt and implement a plan for the sale of such additional securities, including soliciting proxies and the voting of any shares or proxies owned or controlled by them in favor of the applicable capital plan. Should the implementation of the capital 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 Federal securities laws. Prior to the implementation of the applicable capital plan, and in any event, not less than twenty (20) days prior to the dissemination of such materials, the capital plan and any materials used in the sale of the securities shall be submitted to the FDIC, Accountant and Securities Disclosure Section, Washington, D.C. 20429, for review. Any changes requested to be made in the capital plan or the materials by the FDIC shall be made prior to their dissemination. If the increase in Tier 1 Capital and/or Total Risk-Based Capital is to be provided by the sale of non-cumulative perpetual preferred stock, then all terms and conditions of the issue shall be presented to the Regional Director and the Commissioner for prior approval.

(d) In complying with the provisions of this ORDER and until such time as any such public offering is terminated, 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 change which is materially different from the information reflected in any offering materials used in connection with the sale of the Bank's securities. The written notice required by this paragraph shall be furnished within 10 days after the date such material development or change was planned or occurred, whichever is earlier, and shall be furnished to every purchaser and/or subscriber who received or was tendered the information contained in the Bank's original offering materials.

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

(f) For the purposes of this ORDER, the terms "Allowance for Loan and Lease Losses," "Tier 1 Capital,", "Total Risk-Based Capital", and "Total Assets" shall be as defined in Part 325 of the FDIC's Rules and Regulations, 12 C.F.R. Part 325.

DIVIDEND RESTRICTION

2. 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 the Commissioner.

CHARGE-OFF AND REDUCTION OF CLASSIFIED ASSETS

3. (a) Within 60 days after the effective date of this ORDER, the Bank shall, to the extent that it has not previously done so, eliminate from its books, by charge-off or collection, all assets or portions of assets classified Loss by the FDIC and the State as a result of the examination of the Bank on September 22, 2008. The Bank shall not rebook such loans without the prior written consent of the Regional Director and the Commissioner. Elimination or reduction of these assets through proceeds of loans made by the Bank shall not be considered "collection" for the purpose of this paragraph.

(b) Within 60 days after the effective date of this ORDER, the Bank shall submit a written plan ("Classified Assets Plan") to the Regional Director and the Commissioner to reduce the remaining assets classified Doubtful and Substandard as a result of the examination of the Bank on September 22, 2008. The Classified Asset Plan shall address each asset so classified, with a book value exceeding $1,000,000 and provide the following:

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

(ii) Type of asset;

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

(iv) Timeframes for accomplishing the proposed actions.

(v) An analysis of the financial position of each such borrower, including the source of repayment, repayment ability, and alternate repayment sources; and

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

In addition, the Bank's Classified Asset Plan shall contain a schedule detailing the projected reduction of total classified assets on a quarterly basis. Further, the Classified Asset Plan shall contain a provision requiring the submission of monthly progress reports to the Bank's board of directors and a provision mandating review by the Bank's board of directors.

(c) The Bank shall present the Classified Asset Plan to the Regional Director and the Commissioner for review. Within 30 days after the Regional Director's and the Commissioner's response, the Classified Asset Plan, including any requested modifications or amendments, shall be adopted by the Bank's board of directors. The Bank shall then immediately initiate measures detailed in the Classified Asset Plan to the extent such measures have not been initiated.

(d) For purposes of the Classified Asset Plan, the reduction of adversely classified assets as of September 22, 2008, may be accomplished by:

(i) Charge-off;

(ii) Collection; or

(iii) Sufficient improvement in the quality of adversely classified assets so as to warrant removing any adverse classification, as determined by the FDIC or the State.

(e) While this ORDER is in effect, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified Loss as determined at any future examination conducted by the FDIC or the State.

MAINTENANCE OF ALLOWANCE FOR LOAN AND LEASE LOSSES/

CALL REPORTS

4. (a) Within 60 days from the effective date of this ORDER, the Bank shall make a provision which will replenish the Allowance for Loan and Lease Losses ("ALLL") for the loans charged off as a result of the joint FDIC and State examination of the Bank started on September 22, 2008, and reflect the potential for further losses in the remaining loans or leases classified "Substandard" and "Doubtful" at the referenced joint examination of the Bank, as well as, all other loans and leases in its portfolio. Prior to filing the Consolidated Reports of Condition and Income ("Call Report"), the Bank's board of directors shall review the adequacy of the Bank's ALLL. Such reviews shall include, at a minimum, the Bank's loan loss experience, an estimate of potential loss exposure in the portfolio, trends of delinquent and non-accrual loans and prevailing and prospective economic conditions. The minutes of the Bank's board of directors' meetings at which such reviews are undertaken shall include complete details of the reviews and the resulting recommended ALLL.

(b) Within 30 days after the effective date of this ORDER, the Bank shall review all Call Reports filed with the FDIC on or after June 30, 2008, and amend said reports to accurately reflect the financial condition of the Bank as of the date of each such report. In particular, such reports shall contain a reasonable ALLL. Reports filed after the effective date of this ORDER shall also accurately reflect the financial condition of the Bank as of the reporting date.

(c) Within 60 days after the effective date of this ORDER, the Bank must use Financial Accounting Standards Board Statements Numbers 5 and 114 for determining the Bank's allowance for loan and lease losses reserve adequacy. Provisions for loan losses must be based on the inherent risk in the Bank's loan portfolio. The directorate must document with written reasons any decision not to require provisions for loan losses in the board minutes.

LIQUIDITY/ASSET/LIABILITY MANAGEMENT

5. (a) Immediately upon the effective date of the ORDER, the Bank shall take the necessary action to improve liquidity to a level sufficient to meet the Bank's liquidity needs.

(b) Within 30 days after the effective date of this ORDER, the Bank shall develop and submit to the Regional Director and the Commissioner for review and comment a written plan addressing liquidity, the Bank's relationship of volatile liabilities to temporary investments, rate sensitivity objectives and asset/liability management ("Liquidity Plan"). Annually thereafter, while this ORDER is in effect, the Bank shall review the Liquidity Plan for adequacy and, based upon such review, shall make necessary revisions to the Liquidity Plan to strengthen funds management procedures and to maintain adequate provisions to meet the Bank's liquidity needs. The initial Liquidity Plan shall include, at a minimum, provisions:

(i) Requiring the total loan to total deposits ratio to be monitored on a monthly basis and maintained at a level consistent with safe and sound banking practices;

(ii) Establishing a reasonable range for its net non-core funding ratio as computed in the Uniform Bank Performance Report;

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

(iv) Establishing lines of credit at correspondent banks, including the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank, 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;

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

(viii) Addressing the use of borrowings (for example, seasonal credit needs, match funding mortgage loans, etc.) and providing for reasonable maturities commensurate with the use of the borrowed funds; addressing concentration of funding sources; and addressing pricing and collateral requirements with specific allowable funding channels (for example, Fed funds purchased and other correspondent borrowings); and

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

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

BANK MANAGEMENT

6. (a) Within 90 days after the effective date of this ORDER, the Bank shall have and retain qualified management. At a minimum, such management shall include: (i) a new chief executive officer with a demonstrated ability in managing a bank of comparable size and shall have prior experience in upgrading a low quality loan portfolio and (ii) 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. Such persons shall be provided the necessary written authority to implement the provisions of this ORDER. The qualifications of management personnel shall be assessed on their ability to:

(i) Comply with the requirements of this ORDER;

(ii) Operate the Bank in a safe and sound manner;

(iii) Comply with applicable laws and regulations; and

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

(b) While this ORDER is in effect, the Bank shall notify the Regional Director and the Commissioner 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 303.101(b) of the FDIC Rules and Regulations, 12 C.F.R. § 303.101(b). 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 of the Act, 12 U.S.C. § 1831i, and Subpart F of Part 303 of the FDIC Rules and Regulations, 12 C.F.R. §§ 303.100 - 303.103.

BOARD PARTICIPATION

7. Within 90 days from the effective date of this ORDER, the Bank's Board of Directors shall approve sound policies and objectives for the supervision of all of the Bank's activities, consistent with the role and expertise commonly expected for directors of banks of comparable size. This participation shall include meetings to be held no less frequently than monthly. The board shall develop a system of reports and thresholds for review and approval of, at a minimum, the following areas: reports of income and expenses; new, overdue, renewal, insider, charged-off, and recovered loans; investment activity; liquidity; operating policies; and individual committee actions. The Bank's Board minutes shall document these reviews and approvals, including the nature of any comments made by any dissenting directors.

CORRECTION OF VIOLATIONS

8. (a) Within 60 days after the effective date of this ORDER, the Bank shall eliminate and/or correct all apparent violations of law and regulation noted during the joint FDIC and State examination of the Bank started on September 22, 2008.

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

(c) Within 60 days after the effective date of this ORDER, the Bank shall address any contraventions of policy noted during the joint FDIC and State examination of the Bank started on September 22, 2008.

BROKERED DEPOSITS

9. (a) Upon the effective date of this ORDER, the Bank shall not increase the amount of brokered deposits above the amount outstanding on that date.

(b) Within 10 days after the effective date of this ORDER, the Bank shall submit to the Regional Director and the Commissioner a written plan ("Brokered Deposit Plan") for eliminating its reliance on brokered deposits. The Brokered Deposit Plan should contain details as to the current composition of brokered deposits by maturity and explain the means by which such deposits will be paid. Within 30 days after the response by the Regional Director and by the Commissioner, the Brokered Deposit Plan, including any requested modifications or amendments, shall be adopted by the Bank's board of directors. The Bank shall then initiate measures detailed in the Brokered Deposit Plan to the extent such measures have not been initiated. For purposes of this ORDER, brokered deposits are defined as described in section 337.6(a)(2) of the FDIC's Rules and Regulations to include any deposits funded by third party agents or nominees for depositors, including deposits managed by a trustee or custodian when each individual beneficial interest is entitled to or asserts a right to federal deposit insurance.

REDUCTION OF CONCENTRATIONS

10. (a) Within 60 days after the effective date of this ORDER, the Bank shall formulate and submit to the Regional Director and the Commissioner for review and comment a written plan to reduce each of the loan concentrations of credit identified during the joint FDIC and State examination of the Bank started on September 22, 2008 ("Concentration Plan"). Such Concentration Plan shall prohibit any additional advances that would increase the concentrations or create new concentrations and shall include, but not be limited to:

(i) Dollar levels to which the Bank shall reduce each concentration; 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.

(b) For purposes of the Concentration Plan, "reduce" means to:

(i) Charge-off;

(ii) Collect; or

(iii) Increase Tier 1 Capital.

(c) After the Regional Director and the Commissioner have responded to the Concentration Plan, the Bank's board of directors shall adopt the Concentration Plan as amended or modified by the Regional Director and the Commissioner. The Concentration Plan shall be implemented immediately to the extent that the provisions of the Concentration Plan are not already in effect at the Bank.

SPECIAL MENTION/TECHNICAL EXCEPTIONS

11. (a) Within 60 days from the effective date of this ORDER, the Bank shall develop a plan to attempt to correct all deficiencies in the assets listed for "Special Mention" at the September 22, 2008, Examination. The Bank shall immediately submit the plan to the Regional Director and 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 minutes of the board of directors meeting. Thereafter, the Bank shall implement and fully comply with the plan.

(b) Within 60 days after the effective date of this ORDER, the Bank shall attempt to correct the technical exceptions noted at the September 22, 2008, Examination.

(i) For any exception that cannot be corrected, the Bank shall document the reason for such inability in the borrower's credit file, and the board of directors shall review and include copy of the documentation in the board's minutes.

(ii) 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 report shall be made part of, and the review noted, in the board's minutes.

(iii) From the effective date of this ORDER, the Bank shall ensure that the necessary supporting documentation is obtained and evaluated before any credit or loan is extended.

(c) Within 90 days after the effective date of this ORDER, the Bank shall implement a system of monitoring loan documentation exceptions on an ongoing basis and implement procedures designed to reduce the occurrence of such exceptions in the future.

RESTRICTION OF ADVANCES TO CLASSIFIED BORROWERS

12. (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 whose existing credit has been classified Loss by the FDIC or the State as the result of its examination of the Bank, either in whole or in part, and is uncollected, or to 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 and remains uncollected. The requirements of this paragraph shall not prohibit the Bank from renewing credit already extended to a borrower after full collection, in cash, of interest due from the borrower.

(b) 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 whose extension of credit is classified Doubtful and/or Substandard by the FDIC or the State as the result of its examination of the Bank, either in whole or in part, and is uncollected, unless the Bank's board of directors has signed a detailed written statement giving reasons why failure to extend such credit would be detrimental to the best interests of the Bank. The statement shall be placed in the appropriate loan file and included in the minutes of the applicable Bank's board of directors' meeting.

LOAN COMMITTEE AND LOAN REVIEW REQUIREMENTS

13. (a) Within 30 days after the effective date of this ORDER, the Bank's board of directors shall establish a loan review committee to periodically review the Bank's loan portfolio and identify and categorize problem credits. The committee shall file a report with the

Bank's board of directors at each board meeting ("Loan Committee Report"). The Loan Committee Report shall include the following information:

(i) The overall quality of the loan portfolio;

(ii) The identification, by type and amount, of each problem or delinquent loan;

(iii) The identification of all loans not in conformance with the Bank's lending policy; and

(iv) The identification of all loans to officers, directors, principal shareholders or their related interests.

(b) At least 50% percent of the members of the loan review committee shall be directors not employed in any capacity by the Bank other than as a director.

IMPLEMENTATION OF LOAN POLICY

14. (a) Within 90 days from the effective date of this ORDER, and annually thereafter, the board of directors of the Bank shall review the Bank's loan policies and procedures for adequacy and, based upon this review, shall make all appropriate revisions to the policies and procedures necessary to strengthen the Bank's asset quality and lending functions and to prevent further deterioration. At a minimum, the Bank's loan policies and procedures shall include provisions that:

(i) Require that all extensions of credit originated or renewed by the Bank:

(a) Have a clearly defined and stated purpose;

(b) Have a predetermined and realistic repayment source and schedule, including secondary source of repayment;

(c) Are supported by complete loan documentation, including lien searches, perfected security interests, and collateral valuations; and

(d) Are supported by current financial information, profit and loss statements or copies of tax returns, and cash flow projections, which information shall be maintained throughout the term of the loan; and are otherwise in conformance with the Bank's lending policies and procedures.

(ii) Incorporate limitations on the amount that can be loaned in relation to established collateral values, require the source of collateral valuations to be identified, require that collateral valuations be completed prior to the commitment to lend funds, and require that collateral valuations be performed on a periodic basis over the term of the loan;

(iii) Require strict guidelines for out-of-territory loans which, at a minimum, include an aggregate limitation on such loans, require complete credit documentation, and require approval by a majority of the board of directors prior to disbursement of funds, including a written explanation of why such loans are in the best interest of the Bank;

(iv) Prohibit the capitalization of interest or loan-related expenses unless the board of directors provides, in writing, a detailed explanation of why said deviation is in the best interest of the Bank;

(v) Address 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) Require that collateral appraisals be completed prior to making secured extensions of credit, and define the circumstances and time frames under which subsequent collateral valuations will be performed;

(vii) Establish review and monitoring procedures for compliance with the FDIC's appraisal regulation, 12 C.F.R. Part 323;

(viii) Establish a non-accrual policy in accordance with the Federal Financial Bank's Examination Council's Instructions for the Call Reports;

(ix) Require loan committee review and monitoring of the status of repayment and collection of overdue and maturing loans, as well as all loans classified "Substandard" and "Doubtful" in any Report of Examination;

(x) Prohibit extending the maturity date, advancing additional credit, or renewing a loan to a borrower whose obligations to the Bank were classified “Substandard” or “Doubtful,” whether in whole or in part, in any reports of examination, 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 extension or renewal has first been approved in writing by a majority of the board of directors;

(xi) Establish standards for collection efforts for past due loans; and

(xii) Establish guidelines for timely recognition of loss through charge-off.

(b) Establish review and monitoring procedures to ensure that all lending personnel are adhering to established lending policy and procedures, and that the board of directors is receiving timely and fully documented reports on loan activity, including reports that identify deviations from established policy and the loan officers responsible for the deviations.

(i) In particular, the Bank should ensure that the Bank’s policies and procedures in the area of construction lending are followed and that the board of directors is receiving timely and fully documented reports on all construction loan activity, including reports that identify deviations from the established policy and the loan officers responsible for the deviations.

STRATEGIC PLAN

15. (a) Within 90 days after the effective date of this ORDER, the Bank shall formulate and adopt a comprehensive strategic plan ("Strategic Plan"). The Strategic 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 pricing policies and asset/liability management;

(ii) Plans for sustaining adequate liquidity, including back-up lines of credit to meet any unanticipated deposit withdrawals;

(iii) Goals for reducing problem loans;

(iv) Plans for attracting and retaining qualified individuals to fill vacancies in the lending and accounting functions;

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

(vi) Formulation of a mission statement and the development of a strategy to carry out that mission.

(c) 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 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.

(d) The Strategic Plan required by this ORDER shall be revised and submitted to the Regional Director and the Commissioner for review and comment 30 days after 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 the Commissioner, and after consideration of all such comments, the Bank shall approve the revised Strategic Plan, which approval shall be recorded in the minutes of a board of directors' meeting. Thereafter, the Bank shall implement the revised Strategic Plan.

BUDGET AND PROFIT PLAN

16. (a) Within 90 days after the effective date of this ORDER, the Bank shall formulate and submit to the Regional Director and the Commissioner for review and comment a written profit plan ("Profit Plan") and a realistic, comprehensive budget ("Budget") for all categories of income and expense for the next eight calendar quarters. The Profit Plans required by this paragraph shall contain formal goals and strategies, be consistent with sound banking practices, reduce discretionary expenses, improve the Bank's overall earnings, and shall contain a description of the operating assumptions that form the basis for major protected income and expense components.

(b) Within 30 days from the end of each calendar quarter following completion of each Profit Plan and Budget required by this paragraph, the Bank's board of directors shall evaluate the Bank's actual performance in relation to the applicable Profit 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.

(c) The written Profit Plan and Budget shall be prepared for each calendar quarter for which this ORDER is in effect and shall be submitted to the Regional Director and the Commissioner for review and comment within 60 days of the end of each quarter. Within 30 days of receipt of all such comments from the Regional Director and the Commissioner and after adoption of any recommended changes, the Bank shall approve the Profit Plan and the Budget, which approval shall be recorded in the minutes of a board of directors' meeting. Thereafter, the Bank shall implement and follow the Profit Plan and Budget.

COMPLIANCE COMMITTEE

17. (a) Within 30 days after the effective date of this ORDER, the Bank's board of directors shall establish a committee of the board of directors of the Bank charged with the responsibility of ensuring that the Bank complies with the provisions of this ORDER. The members of such committee shall be directors not employed in any capacity by the Bank other than as a director. The committee shall report monthly to the full board of directors of the Bank, and a copy of the report and any discussion relating to the report or the ORDER shall be noted in the minutes of the Bank's board of directors' meetings. The establishment of this subcommittee shall not diminish the responsibility or liability of the entire board of directors of the Bank to ensure compliance with the provisions of this ORDER.

BOARD OF DIRECTORS REVIEW

18. Within 30 days after the effective date of this ORDER, and not less than monthly thereafter, the Bank's board of directors shall review compliance with the provisions of this ORDER. A summary of compliance with each provision and discussions related to the review of the ORDER shall be included in the minutes of the Bank's board of directors meeting.

PROGRESS REPORTS

19. The Bank shall furnish written progress reports ("Progress Reports") to the Regional Director and the Commissioner detailing the form and manner of any actions taken to secure compliance with this ORDER and the results thereof. Such Progress Reports shall be received by the Regional Director and the Commissioner no later than 30 calendar days after the end of each calendar quarter (January 30, April 30, July 30, and October 30 of each calendar year). Such Progress Reports may be discontinued when the corrections required by this ORDER have been accomplished and the Regional Director and the Commissioner have released the Bank in writing from making further reports.

NOTIFICATION TO SHAREHOLDERS

20. Following the effective date of this ORDER, the Bank shall send to its shareholders or otherwise furnish a 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 the ORDER in all material respects. The description and any accompanying communication, statement, or notice shall be sent to the FDIC, Accounting & Securities Unit, 550 17th Street, N.W., Room F-6043, Washington, D.C. 20429, and to the State, Colorado Division of Banking, 1560 Broadway, Suite 975, Denver, CO 80202, for review at least 20 days prior to dissemination to shareholders. Any changes requested to be made by the FDIC or the Commissioner shall be made prior to dissemination of the description, communication, notice, or statement.

The provisions of this ORDER shall be binding upon the Bank, its directors, officers, employees, agents, successors, assigns, and other institution-affiliated parties of the Bank.

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

This ORDER shall become effective on its issuance by the FDIC.

Pursuant to delegated authority.

Dated this 2 day of December 2008.

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Thomas J. Dujenski
Regional Director
Dallas Region
Division of Supervision and Consumer Protection
Federal Deposit Insurance Corporation