FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.
AND
STATE OF OHIO
DIVISION OF FINANCIAL INSTITUTIONS

In the Matter of	)	
BRAMBLE SAVINGS BANK MILFORD, OHIO	)	ORDER TO CEASE AND DESIST
	)	FDIC-07-127b
(Mutual Insured State Bank)	)	

Bramble Savings Bank, Milford, Ohio ("Bank"), having been advised of its right to a NOTICE OF CHARGES AND OF HEARING detailing the unsafe or unsound banking practices 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, 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 State of Ohio, Division of Financial Institutions ("DFI"), dated September 20, 2007, whereby, solely for the purpose of this proceeding and without admitting or denying the charges of unsafe or unsound banking practices, the Bank consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC and DFI.

The FDIC and DFI 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 DFI, 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 and violation of law, rule, or regulation.

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

- The failure to obtain proper loan documentation;
- The failure to obtain current and complete financial information;
- The failure to establish and enforce adequate loan repayment programs;
- The failure to comply with the Bank’s loan policy;
- The failure to adequately identify problem credits, including non-accruals;

- The failure to adequately identify and control exposure to one-to-four family residential investor loans;
- The failure to implement an adequate loan grading system;
- The failure to implement an adequate loan review function;
- The failure to establish and enforce adequate appraisal policies and procedures; and
- Other poor credit administration and collection practices.

D. Operating with an inadequate loan policy.

E. Operating with an excessive level of adversely classified assets, delinquent loans, and nonaccrual loans.

F. Operating with inadequate methodology for the determination of the adequacy of the Allowance for Loan and Lease Losses.

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

H. Violating law, rule, or regulation, including:

- The State of Ohio legal lending limit restrictions as set forth in section 1161.38(G) of the Ohio Revised Code, Ohio Rev. Code Ann. § 1161.38(G), and section 1301:12-3-05 of the Ohio Administrative Code.

I. Operating with excessive overhead costs and an inadequate net interest margin.

J. Operating without a written strategic plan.

K. Operating with inadequate liquidity in light of the

Bank’s asset and liability mix.

L. Operating with an inadequate asset/liability policy.

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

MANAGEMENT

1. (a) Within 30 days from the effective date of this ORDER, and thereafter during the life of this ORDER, the Bank shall hire a qualified chief executive officer and thereafter retain qualified management and staff, as well as provide for sufficient management succession. Each member of management and staff shall have the qualifications and experience commensurate with his or her duties and responsibilities at the Bank. The qualifications of management and staff 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, rules, and regulations; and

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

(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 DFI in writing of any changes in any of the Bank's management. For purposes of this ORDER, "management" is defined as members of the board of directors and "senior executive officers," as that term is defined 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 ("FDIC Rules"), and includes any person identified by the FDIC and DFI, whether or not hired as an employee, with significant influence over, or who participates in, major policymaking decisions of the Bank.

(c) 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, 12 C.F.R. §303.100-303.104. Further, the Bank shall request and obtain the Regional Director's and DFI'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.

LOAN POLICY

2. (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 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 shall be submitted to the Regional Director and DFI 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 assure 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 that all extensions of credit originated or renewed by the Bank be supported by current credit information and collateral documentation, including lien searches and the recording of a mortgage or perfection of security interests, as appropriate; have a clearly defined and stated purpose; and have a predetermined and realistic repayment source and schedule. Credit information and collateral documentation shall include current financial information, profit and loss information or copies of tax returns, and cash flow projections, and shall be maintained throughout the term of the loan;

(iii) Requiring loan committee review and monitoring of the status of repayment and collection of overdue loans and maturing loans that are not fully amortized, as well as all loans classified "Substandard" in the FDIC Report of Examination as of February 20, 2007;

(iv) Requiring the establishment and maintenance of a loan grading system and internal loan watch list;

(v) 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;

(vi) Prohibiting 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;

(vii) Requiring a nonaccrual policy in accordance with the Federal Financial Institutions Examination Council's Instructions for the Consolidated Reports of Condition and Income;

(viii) 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 risk management and monitoring system that considers economic conditions, internal and external historical performance data for managing and forecasting inherent, expected and emerging risks within all material and target growth segments of the credit portfolio (on and off balance sheet).

(ix) Incorporating collateral valuation requirements, including: (A) maximum loan-to-collateral-value limitations; (B) a requirement that the valuation be completed prior to a commitment to lend funds; (C) a requirement for periodic updating of valuations; and (D) a requirement that the source of valuations be documented in Bank records;

(x) Establishing standards for initiating collection efforts;

(xi) Prohibiting the extension of a maturity date, advancement of additional credit or renewal of a loan to a borrower whose obligations to the Bank were classified "Substandard," whether in whole or in part, as of February 20, 2007, or by the FDIC or DFI in a subsequent Report 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 renewal or extension has first been approved in writing by a majority of the Bank's board of directors;

(c) Within 30 days from the receipt of any comments from the Regional Director and DFI, 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. The Bank shall inform the Regional Director and DFI, in writing, of the manner in which it intends to implement this policy and ensure compliance therewith.

REDUCTION OF SUBSTANDARD ASSETS

3. (a) Within 60 days from the effective date of this ORDER, the Bank shall adopt and implement a written plan to reduce the Bank's risk position in each asset in excess of $100,000 which is classified "Substandard" in the FDIC Report of Examination as of February 20, 2007. A copy of the written plan shall be submitted to the Regional Director and DFI for review and comment upon its completion. In developing such plan, the Bank shall, at a minimum:

(i) Review the current 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 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 DFI.

(d) Within 30 days from the receipt of any comment from the Regional Director and DFI, 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 this written plan.

PROHIBITION OF ADDITIONAL LOANS TO CLASSIFIED BORROWERS

4. (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 extensions 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 credit has been classified “Substandard” and is uncollected unless the Bank’s board of directors has adopted, prior to such extension of credit, a detailed written statement giving the reasons why such extension of credit is in the best interest of the Bank. A copy of the statement shall be placed in the appropriate loan file and shall be incorporated in the minutes of the applicable board of directors’ meeting.

REDUCTION OF DELINQUENCIES

5. Within 60 days from the effective date of this ORDER, the Bank shall develop a written plan for the reduction and collection of delinquent loans. The plan shall include, but not be limited to, provisions which:

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

(b) Delineate areas of responsibility for collections;

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

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

(e) 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.

(f) A copy of the written plan shall be submitted to the Regional Director and DFI for review and comment upon its completion. As used in this paragraph, "reduce" means to: (1) collect; (2) charge off;

(g) Within 30 days from receipt of any comment from the Regional Director and DFI, and after the 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.

LOSS CHARGE-OFF

6. As of 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" as of February 20, 2007 that have not been previously collected or charged off. Any such charged-off asset shall not be rebooked without the prior written consent of the Regional Director and DFI. Elimination or reduction of these assets with the proceeds of other Bank extensions of

credit is not considered collection for the purpose of this paragraph.

CORRECTION OF TECHNICAL EXCEPTIONS

7. Within 90 days from the effective date of this ORDER, the Bank shall correct the loan administration and technical exceptions listed in the FDIC Report of Examination as of February 20, 2007.

LOAN COMMITTEE

8. 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 amended to comply 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 loans and maturing loans that are not fully amortized, as well as all loans classified "Substandard" in the

FDIC Report of Examination as of February 20, 2007, or that are included on the Bank's internal watch list.

(iii) Maintain written minutes of the committee meetings, including a record of the review and status of the aforementioned loans. Such minutes shall be made available at the next Bank board of directors' meeting.

ALLOWANCE FOR LOAN AND LEASE LOSSES

9. (a) Prior to submission or publication of all Reports of Condition and Income required by the FDIC 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 DFI.

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

(c) While this ORDER is in effect, the Bank shall submit to the Regional Director and DFI a paper copy of all Reports of Condition and Income filed with the FDIC.

CAPITAL

10. (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 ("Part 325"), 12 C.F.R. Part 325.

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

(i) The elimination of all or part of the assets classified "Loss" [or "one-half of Doubtful"], 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

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

(iii) The direct contribution of cash by one or more directors of the Bank, at the election of such director or directors; or

(iv) Any other means acceptable to the Regional Director and DFI; or

(v) Any combination of the above means.

(c) 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.

CORRECTION OF VIOLATIONS

11. (a) Within 60 days from the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of law, rule, and regulation listed in the FDIC Report of Examination as of February 20, 2007.

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

STRATEGIC PLAN

12. (a) Within 90 days from the effective date of this ORDER, the Bank shall formulate and adopt a realistic, 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. The written strategic plan shall contain specific goals and a reasonable and specific time frame for achieving these goals and shall address at a minimum:

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

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

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

(iv) Strategies for improving liquidity and maintaining a sufficient liquidity position;

(v) Strategies for providing sufficient staff levels;

(vi) Strategies for providing sufficient staff training;

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

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

(b) The Bank will submit the strategic plan to the Regional Director and DFI for review and comment. After consideration all such comments, the Bank shall approve the plan, which approval shall be recorded in the minutes of a board of directors' meeting.

(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 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.

(d) The strategic plan required by this ORDER shall be revised and submitted to the Regional Director and DFI 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 DFI, 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.

PROFIT PLAN AND BUDGET

13. (a) Within 90 days from the effective date of this ORDER, the Bank shall adopt and implement a written profit plan and a realistic, comprehensive budget for all categories of income and expense for calendar years 2007 and 2008. The plan 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 net interest income, and shall contain a description of the operating assumptions that form the basis for major projected income and expense components. A copy of the plan shall be submitted to the Regional Director and DFI upon its completion.

(b) 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.

ASSET/LIABILITY MANAGEMENT

14. (a) Within 90 days from the effective date of this ORDER, the Bank shall revise its interest rate risk ("IRR") policy to establish appropriate risk limits that reflect the Bank board's

risk tolerance, identify the types of instruments and activities that the Bank may use to manage its IRR exposure and address strategies to be considered if the Bank is outside the stated IRR parameters. Annually thereafter during the life of this ORDER, the Bank shall review its IRR policy for adequacy and, based upon such review, shall make appropriate revisions to the policy that are necessary to strengthen funds management procedures. A copy of the policy and each revision thereof shall also be submitted to the Regional Director and DFI for review and comment upon completion. The revised IRR policy shall, at a minimum, include provisions 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 Joint Supervisory Statement on Investment Securities and End-user Derivative Activities (April 23, 1998).

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

COMPLIANCE WITH ORDER

15. (a) Within 30 days from the effective date of this ORDER, the Bank's board of directors shall have in place a program that will provide for monitoring of the Bank's compliance with this

ORDER.

(b) Following the required date of compliance with subparagraph (a) of this paragraph, the Bank’s board of directors shall review the Bank’s compliance with this ORDER and record its review in the minutes of each regularly scheduled board of directors’ meeting.

PROGRESS REPORTS

16. 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 DFI 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 DFI have, in writing, released the Bank from making further reports.

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

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 DFI.

Pursuant to delegated authority.

Dated: September 28, 2007.

<table>
<tr><td>Sylvia H. Plunkett
Regional Director
Chicago Regional Office
Federal Deposit Insurance Corporation</td><td>John Reardon
Superintendent
Division of Financial Institutions
State of Ohio</td></tr>
<tr><td></td><td>Michael O. Roark
Deputy Superintendent
Division of Financial Institutions
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