

UNITED STATES OF AMERICA  
BEFORE THE  
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON, D.C.

In the Matter of  
  
ALLIED BANK  
Mulberry, Arkansas

Docket No. 16-020-PCA-SM

Prompt Corrective Action  
Directive Issued Upon Consent  
Pursuant to Section 38 of the  
Federal Deposit Insurance Act, as  
Amended

WHEREAS, the Board of Governors of the Federal Reserve System (the “Board of Governors”) has determined that, as of June 30, 2016, Allied Bank, Mulberry, Arkansas (the “Bank”), a state-chartered bank that is a member of the Federal Reserve System, is critically undercapitalized, as defined in section 208.43(b)(5) of Regulation H of the Board of Governors (12 C.F.R. § 208.43(b)(5)), for purposes of section 38 of the Federal Deposit Insurance Act, as amended (the “FDI Act”) (12 U.S.C. § 1831*o*);

WHEREAS, the actions in this Prompt Corrective Action Directive (the “Directive”) are necessary to carry out the purposes of section 38 of the FDI Act; and

WHEREAS, on August 11, 2016, the board of directors of the Bank, at a duly constituted meeting, adopted a resolution authorizing and directing Alex Golden, President, to enter into this Directive on behalf of the Bank, and consenting to compliance with each and every provision of this Directive by the Bank.

NOW THEREFORE, pursuant to section 38 of the FDI Act and section 208.45 (12 C.F.R. 208.45) of Regulation H of the Board of Governors, the Board of Governors immediately directs that:

1. The Bank shall no later than 30 days of the date of this Directive (or such additional time as the Board of Governors may permit) in conjunction with any company that controls the Bank:

(a) increase the Bank's equity through the sale of shares or contributions to surplus in an amount sufficient to make the Bank adequately capitalized as defined in section 208.43(b)(2) of Regulation H of the Board of Governors (12 C.F.R. § 208.43(b)(2));

(b) enter into and close a contract to be acquired by a depository institution holding company or combine with another insured depository institution, closing under which contract is conditioned only on the receipt of necessary regulatory approvals, the continued accuracy of customary representations and warranties, and the performance of customary pre-closing covenants; or

(c) take other necessary measures to make the Bank adequately capitalized.

2. The Bank shall comply fully with the provisions of section 38(d)(1) of the FDI Act (12 U.S.C. § 1831o(d)(1)) restricting the making of any capital distributions, including, but not limited to, the payment of dividends.

3. The Bank shall not, without the prior written approval of the Federal Reserve Bank of St. Louis (the "Reserve Bank") and the fulfillment of one of the requirements set forth in paragraph 1, solicit and accept new deposit accounts or renew any time deposit bearing an interest rate that exceeds the prevailing effective rates on deposits of comparable amounts and maturities in the region where the institution is located.

4. The Bank shall comply fully with the provisions of sections 38(f)(4)(A)(i) and (ii) of the FDI Act (12 U.S.C. §§ 1831o(f)(4)(A)(i) and (ii)) restricting the payment of bonuses to senior executive officers and increases in compensation of such officers.

5. The Bank shall comply fully with the provisions of sections 38(e)(3) and (4) of the FDI Act (12 U.S.C. §§ 1831o(e)(3) and (4)) restricting asset growth, acquisitions, branching, and new lines of business.

6. The Bank shall comply fully with the provisions of section 38(i) of the FDI Act (12 U.S.C. §§ 1831o(i)) and sections 325.101(c) and 325.105(a)(4) of the regulations of the Federal Deposit Insurance Corporation (the "FDIC") (12 C.F.R. §§ 325.101(c) and 325.105(a)(4)) restricting certain activities, including, but not limited to, making any material change in accounting methods and engaging in any covered transaction, as defined in section 23A of the Federal Reserve Act (12 U.S.C. § 371c) without the prior written approval of the FDIC.

7. Fifteen days after the date of this Directive and bi-weekly thereafter, the Bank shall submit to the Reserve Bank written progress reports detailing the steps taken to comply with this Directive.

8. All communications regarding this Directive shall be sent to:

- (a) Mr. Timothy A. Bosch  
Vice President  
Federal Reserve Bank of St. Louis  
P.O. Box 442  
St. Louis, Missouri 63166-0442

(b) Mr. Alex Golden  
Chairman, President, and CEO  
Allied Bank  
311 Main Street  
Mulberry, Arkansas 72947

9. The provisions of this Directive shall be binding upon the Bank and its institution-affiliated parties, as defined in section 3(u) of the FDI Act (12 U.S.C. § 1813(u)), in their capacities as such, and their successors and assigns.

10. Each provision of this Directive shall remain effective and enforceable until stayed, modified, terminated or suspended in writing by the Board of Governors.

11. The provisions of this Directive shall not bar, estop or otherwise prevent the Board of Governors, the Reserve Bank, or any other federal or state department or agency from taking any other action affecting the Bank or any of its current or former institution-affiliated parties and their successors or assigns.

12. (a) This Directive does not supersede the Written Agreement by and among ACME Holding Company Inc. Employee Stock Ownership Plan, ACME Holding Company, Inc., Allied Bank, and the Reserve Bank dated May 2, 2012.

(b) Notwithstanding any provision of this Directive, the Bank shall comply with any other supervisory action issued by the Board of Governors, the Reserve Bank, the Arkansas State Bank Department, or the FDIC.

13. As set forth in section 263.205 of the Board of Governors' Rules of Practice for Hearings (12 C.F.R. § 263.205), this Directive is enforceable by the Board of Governors under section 8 of the FDI Act (12 U.S.C. § 1818).

By order of the Board of Governors of the Federal Reserve System, effective this 15<sup>th</sup> day of August, 2016.

ALLIED BANK

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

By: /s/ Alex Golden  
Alex Golden  
President

By: /s/ Robert deV. Frierson  
Robert deV. Frierson  
Secretary of the Board