

# FEDERAL RESERVE press release



For immediate release

June 30, 1997

The Federal Reserve Board today announced the issuance of a Cease and Desist Order against the Zia New Mexico Bank, Tucumcari, New Mexico, and G.A. Poling, Jr., president of the bank.

A copy of the Order is attached.

Attachment

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

In the Matter of	)	
ZIA NEW MEXICO BANK	)	Docket Nos. 97-013-B-SM
Tucumcari, New Mexico	)	97-013-B-I
and	)	Cease and Desist Order
G.A. POLING, JR.	)	Issued Upon Consent
An Institution-Affiliated	)	Pursuant to the Federal
Party of	)	Deposit Insurance Act,
ZIA NEW MEXICO BANK	)	as Amended
Tucumcari, New Mexico	)	

WHEREAS, the Board of Governors of the Federal Reserve System (the "Board of Governors") believes that the Zia New Mexico Bank, Tucumcari, New Mexico (the "Bank"), a State-chartered bank that is a member of the Federal Reserve System, and G.A. Poling, Jr. ("Poling"), president of the Bank, have engaged in, are engaging in and, unless restrained, will continue to engage in unsafe or unsound practices and violations of laws and regulations in conducting the business of the Bank and that Poling has engaged in and, unless restrained, will continue to engage in breaches of his fiduciary duty to the Bank; and

WHEREAS, on June 19, 1997, the board of directors of the Bank adopted a resolution: (1) authorizing and directing G.A. Poling, Jr. to enter into this Order on behalf of the Bank and consenting to compliance with each and

every provision of this Order by the Bank and its institution-affiliated parties, as defined in Section 3(u) of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. 1813(u)); (2) waiving any and all rights to contest the issuance of this Order by the Board of Governors pursuant to 12 U.S.C. 1818 and 12 C.F.R. Part 263; (3) waiving the issuance of a notice of charges and of hearing on any matter set forth in this Order; (4) waiving a hearing for the purpose of taking evidence on any matter set forth in this Order; (5) waiving any and all rights to judicial review of this Order; and (6) waiving any and all rights to challenge or contest, in any manner, the basis, issuance, validity, terms, effectiveness or enforceability of this Order or any provision hereof; and, on June 19, 1997, Poling, by affixing his signature hereunder, agreed to the foregoing in his individual capacity with respect to paragraphs 2, 4(d)(ii), and 17 through 21 hereof.

NOW, THEREFORE, before the taking of any testimony or adjudication of, or finding on, any issue of fact or law herein, and without this Order constituting an admission of any allegation made or implied by the Board of Governors in connection with this proceeding, and solely for the purpose of settlement of this proceeding without protracted or extended hearings or testimony and pursuant to the aforesaid resolution:

IT IS HEREBY ORDERED that the Bank and its institution-affiliated parties and Poling cease and desist and take affirmative action as follows:

Dividends

1. The Bank shall not declare or pay any dividends, or make any other form of payment representing a reduction of the Bank's capital account, without the prior written approval of the Federal Reserve Bank of Dallas (the "Reserve Bank") and the Director of the Division of Banking Supervision and Regulation of the Board of Governors. All requests for prior approval shall be received at least 30 days prior to the proposed dividend declaration date and shall include, but not be limited to, information on the amount proposed to be paid, Bank earnings and capital levels for the most recent annual period and the fiscal year to date, and an analysis of the proposed dividend in light of the Board of Governors's Policy Statement on the Payment of Cash Dividends by State Member Banks and Bank Holding Companies, dated November 14, 1985.

Restrictions on Poling

2. (a) (i) Poling shall not, directly or indirectly, or through aggregating his lending authority with the authority of any other officer of the Bank, extend any loan in excess of \$20,000, or extend any loan outside of the limits and guidelines established by the board of directors pursuant to paragraph 5 of this Order, without the prior written approval of

a majority, but not less than four members of the board of directors of the Bank, with Poling abstaining from voting on any such loan. The approval of the board of directors shall be noted in the minutes.

(b) Poling shall not incur any travel expense on behalf of the Bank exceeding \$500 or that aggregates in excess of \$2,000 per calendar quarter without the prior written approval of the board of directors of the Bank, such approval to be noted in the minutes. Poling shall submit to the board of directors for its review detailed expense statements and receipts for any Bank-related expenses for which he seeks reimbursement, in accordance with the policies and procedures adopted by the board of directors pursuant to paragraph 4(e) of this Order, whether or not such expenses have been approved in advance by the board of directors pursuant to this paragraph 2(b).

(c) Poling shall not, directly or indirectly, enter into, participate or in any other manner engage in any transaction with the Bank not in the ordinary course of the business of the Bank (such as deposits into personal accounts, salary payments, loans made in compliance with Regulation O of the Board of Governors and the like), including but not limited to, the purchase from or the sale to the Bank of any asset, without the prior review of the Reserve Bank pursuant to paragraph 9 of this Order, provided, however, that

this paragraph 2(c) shall not preclude Poling from conducting business on behalf of the Bank consistent with the restrictions and limitations set forth in this Order.

Capital Plan

3. (a) Within 60 days of this Order, the Bank shall submit to the Reserve Bank an acceptable, written plan to achieve, and, thereafter maintain, a satisfactory capital position. The plan shall include projections for the remainder of the 1997 fiscal year, as well as for the 1998 and 1999 fiscal years, and, at a minimum, address and consider:

(i) The Bank's current and future capital requirements, including compliance with the Capital Adequacy Guidelines of the Board of Governors for State Member Banks: Risk Based Measures and the Tier 1 Leverage Measure (12 C.F.R. Part 208, App. A and B) and Section 38 of the FDI Act (12 U.S.C. 1831o);

(ii) recent increases in the volume of the Bank's adversely classified assets and plans to reduce these classifications, as well as the potential for additional asset quality problems at the Bank;

(iii) anticipated growth or shrinkage of the Bank's assets and the effect on the Bank's capital ratios;

(iv) the Bank's anticipated levels of retained earnings; and

(v) the sources and timing of additional capitalization.

(b) The Bank shall notify the Reserve Bank, in writing, within ten business days of the end of any calendar quarter if the Bank's tier 1 leverage or tier 1 risk-based capital ratio falls below 4 percent, or its total risk-based capital ratio falls below 8 percent and shall submit to the Reserve Bank an acceptable written plan that details the steps the Bank will take to bring the capital ratio(s) to minimum percentages within 30 days of the end of the calendar quarter.

#### Board Oversight and Responsibilities

4. (a) Within 60 days of this Order, the board of directors of the Bank shall submit to the Reserve Bank an acceptable written plan to implement adequate board oversight over management. The plan shall describe, at a minimum, the procedures and management information reports that the board of directors intends to put into place in order to maintain effective control over and supervision of the Bank's senior management and the operations and activities of the Bank including, at a minimum: (i) the Bank's capital and earnings; (ii) its compliance with laws, regulations and the Bank's policies and procedures; (iii) its internal controls and

recordkeeping procedures; and (iv) its controls over the lending function, including: (A) monitoring exceptions to board-approved loan policy; (B) reviewing the Bank's watch-list; and (C) maintaining an adequate reserve for loan losses.

(b) The board of directors of the Bank shall take appropriate steps to increase the number of outside directors to at least a majority of the board of directors and shall report quarterly to the Reserve Bank on the Bank's efforts in securing new outside directors. For purposes of this Order, the term "outside director" shall be defined as an individual who (A) is not an employee, officer or agent of the Bank or any affiliate of the Bank, (B) does not own more than 10 percent of the outstanding voting stock of the Bank or any affiliate, or (C) is not related in any manner, by blood or marriage, to any shareholder who owns more than 10 percent of the outstanding voting stock of the Bank. The term "affiliate" shall be defined as set forth in Section 23A(b)(1) of the Federal Reserve Act (12 U.S.C. 371c(b)(1)).

(c) (i) Within 60 days of this Order, a committee of the Bank's board of directors, of which the outside directors of the Bank shall comprise a majority, shall conduct a review of the functions and performance of Poling and shall forward to the Reserve Bank its written findings and conclusions, along with a written description of any management changes that may be proposed as a result of the review. The review shall take

into account the restrictions imposed on the activities of Poling under paragraph 2 of this Order.

(ii) Within 90 days of this Order, the committee shall conduct a review of the functions and performance of the other officers of the Bank and shall forward to the Reserve Bank its written findings and conclusions, along with a written description of any management changes that may be proposed as a result of the review.

(iii) The reviews conducted pursuant to this paragraph 4(c) shall focus on an assessment of the duties performed by each officer and the ability of that individual to perform adequately his or her assigned duties. The primary purpose of these reviews shall be to aid in the development of a management structure suitable to the Bank's needs that is adequately staffed by qualified and trained personnel.

(d) (i) Within 30 days of this Order, the board of directors shall submit to the Reserve Bank an acceptable written report on the expenses of Poling for the period from January 1, 1996 through the date of this Order. Such report shall include at a minimum: (A) a list of all bank credit card charges incurred by Poling, the date(s) incurred, and the purpose of the expense; (B) a list of all bank credit card cash advances received by Poling, the date(s) received, the purpose of the advance, and the ultimate use of the funds; (C) a list of all of

Poling's bank travel expense checks, any other bank expense checks made payable to Poling, or any other cash provided to Poling for travel or other expenses, the date(s) of the checks or disbursements of funds, the purpose of the funds, and the ultimate use of the funds; and (D) documentation to substantiate Poling's expenses.

(ii) For the period from January 1, 1996 through the date of this Order, the Bank shall submit to the Reserve Bank an explanation of the destination and purpose of any travel expenses and the purpose of all other expenses in excess of \$250, which may include written documentation from Poling. Poling shall reimburse the Bank for any expenses not supported by that explanation. The Bank shall not, directly or indirectly, fund or in any manner assist Poling with respect to any reimbursement required pursuant to this Order through an extension of credit, an increase in base salary, bonus, or fee payment, or any other payment of funds to or on behalf of Poling, or any of his family members or related interests.

(iii) For purposes of this Order, the terms: (A) "family member" shall include a person's parents, spouse, siblings, children, the spouse of a parent, sibling or child and the sibling of a parent; and (B) "related interest" shall be as defined in Section 215.2(n) of Regulation O of the Board of Governors (12 C.F.R. 215.2(n)).

(e) Within 30 days of this Order, the Bank shall submit to the Reserve Bank acceptable written policies and procedures for the payment or reimbursement of Bank-related expenses of any amount, including but not limited to, requirements for the submission of written expense reports and receipts. The Bank shall not reimburse Poling for any expenses incurred by him unless and until he has provided a written expense report that meets the requirements of the policies and procedures adopted pursuant to this paragraph 4(e).

(f) During the term of this Order or as otherwise required by law, the Bank shall comply with the provisions of Section 32 of the FDI Act (12 U.S.C. 1831i) and Subpart H of Regulation Y of the Board of Governors (12 C.F.R. Part 225, Subpart H), with respect to the appointment of any new directors or the hiring or promotion of any senior officers.

#### Lending Operations

5. Within 60 days of this Order, the Bank shall submit to the Reserve Bank acceptable amended written loan policies and procedures consistent with the Interagency Guidelines Establishing Standards for Safety and Soundness, 12 C.F.R. Part 208, Appendix D (the "Safety and Soundness Guidelines"). The policy and procedures shall include, but not be limited to, the following:

(a) Charge-off procedures for loans and overdrafts;

(b) guidelines for the identification of problem assets and placing loans on and removing loans from nonaccrual;

(c) guidelines and controls for out-of-territory lending;

(d) guidelines under which unsecured loans will be granted;

(e) real estate loan foreclosure procedures;

(f) guidelines for the distribution of loans in commercial, real estate, and installment categories;

(g) guidelines to limit environmental liability;

(h) guidelines on the loan-to-value ratios for various categories of loans and collateral;

(i) requirements for collateral inspections;

(j) guidelines for the perfection of liens and the release of collateral;

(k) guidelines for extending payments and maturities on past due loans;

(l) standards for obtaining current financial statements and updating financial information and appraisals on a regular, periodic basis;

(m) standards for determining when audited financial statements of a borrower are required;

(n) an amended floor plan policy establishing the maximum age of automobiles and boats that will be eligible for floor plan financing; and

(o) procedures for annual review and revisions, as necessary, of the Bank's loan policies and procedures.

#### SBA Program

6. (a) Within 30 days of this Order, the Bank shall conduct a comprehensive profitability analysis of its participation in the Small Business Administration asset securitization program (the "SBA Program"), which shall take into account, among other things, a breakdown of fee, interest and

other income received, overhead expense incurred, including facilities (i.e., rent, telephone and other utilities), commissions, labor, marketing, travel and training expenses, the Bank's cost of funds and the historical loss, if any, in connection with the SBA Program, and shall forward to the Reserve Bank its analysis along with a written description of any changes in the Bank's participation in the SBA Program that may be proposed as a result of the analysis.

(b) If the Bank determines as a result of the analysis conducted pursuant to paragraph 6(a) hereof to continue its participation in the SBA Program, the Bank shall submit to the Reserve Bank an acceptable written plan for participation in the SBA Program, including but not limited to, policies and procedures for the proper documentation of SBA loans, the monitoring of compliance with SBA loan agreements, the maintenance of SBA approvals for documentation and payment waivers and other procedures to ensure the Bank's participation in good standing in the SBA Program and the continuing guaranty of loans underwritten by the Bank in such program.

(c) If the Bank fails to submit a comprehensive analysis and an acceptable written plan within 30 days of this Order, the Bank shall not make new loans or extensions of credit under the SBA program without the prior written approval of the Reserve Bank.

### Charge-off or Collection of Loss Assets

7. (a) Within 10 days 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 of the Bank as of December 31, 1996, dated February 3, 1997 (the "Report of Examination"), that have not been previously collected in full or charged-off. Thereafter, the Bank shall timely charge off assets or portions of assets classified "Loss" by the management or board of directors of the Bank or by the Reserve Bank or other bank regulatory authorities.

(b) Within 30 days of this Order, the Bank shall achieve and, thereafter, continue to maintain, through charges to current operating income, an adequate valuation reserve for loan losses. The adequacy of the reserve shall be determined in light of the volume of classified loans, the current level of nonperforming loans, past loss experience, evaluation of the potential for loan losses in the portion of the Bank's portfolio not classified, current economic conditions, and examiners' other criticisms contained in the Report of Examination, and the requirements of the Interagency Policy Statement on the Allowance for Loan and Lease Losses, dated December 21, 1993. A written record shall be maintained indicating the methodology used in determining the amount of the reserve needed. This record shall be submitted to the Reserve Bank within 60 days of this Order. Thereafter, the Bank shall conduct, at a minimum, a quarterly assessment of its loan loss reserve and its nonperforming loans

and shall submit documentation of each quarterly assessment to the Reserve Bank within 30 days of the end of each quarter.

Loan Administration

8. (a) Within 60 days of this Order, the Bank shall take all appropriate steps to correct documentation and credit information deficiencies in the Bank's loan files (a list of which was provided to the Bank's management by the Reserve Bank), including obtaining accurate and current financial and cash flow statements. Thereafter, the Bank shall maintain and update such documentation and credit information. During the term of this Order, the Bank shall take all steps necessary to maintain current and complete documentation on all loans consistent with its loan policy. In all cases where the Bank is unable to obtain documentation or credit information, it shall document the actions taken to secure the information, the reason that the information could not be obtained and shall maintain such documentation in the appropriate file for subsequent supervisory review.

(b) Within 60 days of this Order, the Bank shall submit to the Reserve Bank an acceptable written plan designed to improve through amortization, repayment, liquidation, additional collateral or other means, whichever may be appropriate, the Bank's position on each loan that was past due as to principal or interest in excess of 90 days as of the date of this Order and on each asset in excess of \$40,000, including other real estate,

that was adversely classified or listed as special mention in the Report of Examination. This plan shall not be amended or rescinded without the prior written approval of the Reserve Bank, except that the plan shall be amended periodically to cover loans or other assets in excess of \$40,000 that have been adversely classified or listed for special mention in any subsequent report of examination or visitation of the Bank or loans that have become past due as to principal or interest for more than 90 days.

(c) Within 30 days after the end of each calendar quarter following the date of this Order, the Bank shall submit to the Reserve Bank progress reports on classified and past due assets. Such reports shall include, at a minimum: (i) the carrying values of such assets as of the date of the report; (ii) the nature and value of supporting collateral; (iii) plans for improvement, reduction, or elimination of the asset; (iv) the sources of funds for loan repayments; (v) specific target levels and timetables for reductions in classified assets; and (vi) a copy of the Bank's most current internal watch list.

#### Restricted Transactions

9. (a) The Bank shall not, directly or indirectly, enter into, participate or in any other manner engage in any transaction with any of the Bank's institution-affiliated parties or their related interests that is not in the ordinary course of business of the Bank (such as deposits into personal accounts,

salary payments, loans made in compliance with Regulation O of the Board of Governors and the like), including, but not limited to, the purchase from or the sale to the Bank of any asset, without the prior review of the Reserve Bank.

(b) Any request for prior review pursuant to this paragraph shall be accompanied by documentation adequate to provide the Reserve Bank with the details of each proposed transaction, including a full description of the proposal, the purpose(s) for the transaction, the amounts involved, the benefits to be derived by the Bank and such other matters that may be pertinent to the proposed transaction to assist the Reserve Bank in its review of each proposal.

#### Budget Plan

10. (a) Within 60 days of this Order, the Bank shall submit to the Reserve Bank a revised written budget, approved by the Bank's board of directors, concerning the Bank's proposed business activities for the remainder of 1997 and 1998. This budget shall contain provisions that address the requirements of this Order, and, at a minimum, include:

(i) The responsibilities of the board of directors concerning the development, approval, implementation, and monitoring of the budget, and procedures designed to ensure that the board of directors fulfills such responsibilities;

(ii) financial performance objectives consistent with the Safety and Soundness Guidelines, including plans for asset growth or shrinkage, liquidity and capital and plans for improving earnings and reducing overhead expenses, supported by detailed, quarterly pro forma financial statements;

(iii) a description of the operating assumptions that form the basis for major projected income and expense components and the sources and uses of cash flow;

(iv) the analysis of the Bank's SBA Program conducted pursuant to paragraph 6 hereof; and

(v) the establishment of a quarterly process to review and make any necessary revision to the budget.

(b) A written budget for each calendar year subsequent to 1998 shall be forwarded to the Reserve Bank by October 31st of the prior calendar year.

(c) Any revisions to the budget shall be approved by the Bank's board of directors and shall be forwarded to the Reserve Bank within five business days of approval by the Bank's board of directors.

### Violations

11. (a) The Bank shall immediately take all necessary steps consistent with sound banking practices to eliminate or correct all violations of Sections 9 and 22(d) of the Federal Reserve Act (12 U.S.C. 324 and 375), Regulations F, H and O of the Board of Governors (12 C.F.R. Parts 206, 208 and 215), the Employee Retirement Income Security Act ("ERISA") (P.L. 93-406) and the Internal Revenue Code (the "IRC") (26 U.S.C. 1 et seq.) as set forth in the Report of Examination, and thereafter, the Bank shall not engage, directly or indirectly, in any violation of the Federal Reserve Act, Regulations F, H or O of the Board of Governors, ERISA or the IRC.

(b) Within 60 days of this Order, the Bank shall submit to the Reserve Bank an acceptable written compliance program designed to ensure compliance with the provisions of the Federal Reserve Act, Regulations F, H and O of the Board of Governors, ERISA and the IRC.

### Internal Controls

12. (a) The Bank shall take such actions as are necessary to ensure that all Reports of Condition and Income filed, submitted or published by the Bank accurately reflect the Bank's condition on the date(s) for which such reports are filed, submitted or published, that all such Reports are filed, submitted or published in a timely manner, and that all records

indicating how such reports are prepared are adequately maintained for subsequent supervisory review.

(b) Within 60 days of this Order, the Bank shall submit to the Reserve Bank acceptable written procedures designed to strengthen and maintain the Bank's records and internal controls. These procedures shall include, without limitation, corrective steps that are responsive to the recordkeeping and internal control deficiencies noted in the Report of Examination, including procedures for:

(i) Adequate separation of duties in the wire transfer area and the investment portfolio accounting area;

(ii) proper documentation of the receipt of payments on collection items;

(iii) ensuring that loans are funded according to terms approved by the board of directors or a committee thereof;

(iv) the reconciliation of all balance sheet accounts on at least a monthly basis and the maintenance of records of monthly balance sheet reconcilements for subsequent supervisory review; and

(v) the review and renewal, when appropriate, of federal funds and other lines of credit.

Bank Secrecy Act Compliance and Suspicious Activity Reporting

13. (a) Within 30 days of this Order, the Bank shall submit to the Reserve Bank an acceptable, written amended policy to ensure compliance with all of the provisions of the Currency and Foreign Transaction Reporting Act (31 U.S.C. 5311 et seq.) and the accompanying regulations issued thereunder by the United States Department of the Treasury (31 C.F.R. 103.11 et seq.). The amended policy shall, among other things, provide the means for the Bank to ensure that currency transaction reports are accurately and timely filed, and with respect to exempted customers, that (i) exemption levels for customers of the Bank who are exempted from the currency transaction reporting requirements are reasonable in light of the historical transactions of the customer, (ii) the exemption limits for exempted customers are being complied with, (iii) in the event that transactions exceed the exemption limits occur, the currency transaction reporting requirements are complied with, (iv) the transactions of exempted customers are reviewed on a regular basis, and (v) all required information regarding exempted customers is appropriately recorded.

(b) Within 30 days of this Order, the Bank shall submit to the Reserve Bank an acceptable written program to

familiarize its employees with the Bank's policies and procedures for the timely reporting of suspicious activities.

Other Required Policies

14. Within 30 days of this Order, the Bank shall submit to the Reserve Bank acceptable amended written Investment and Funds Management policies and acceptable written policies and procedures for emergency preparedness. Such policies and procedures shall address the deficiencies cited in the Report of Examination.

Review and Approval Process

15. The written plans, policies, procedures and programs required by paragraphs 3(a), 4(a), 4(e), 5, 6(b), 8(b), 11(b), 12(b), 13(a), 13(b) and 14 hereof shall be submitted to the Reserve Bank for review and approval. Acceptable plans, policies, procedures and programs shall be submitted to the Reserve Bank within the required time periods set forth in this Order. The Bank shall adopt the approved plans, policies, procedures and programs within 10 days of receipt of approval by the Reserve Bank and then fully comply with them. During the term of this Order, the approved plans, policies, procedures and programs shall not be amended or rescinded without the prior written approval of the Reserve Bank.

### Quarterly Reports

16. Within 30 days after the end of each calendar quarter (September 30, December 31, March 31 and June 30) following the date of this Order, the Bank shall furnish to the Reserve Bank written progress reports detailing the form and manner of all actions taken to secure compliance with this Order and the results thereof. Such reports may be discontinued when the corrections required by this Order have been accomplished and the Reserve Bank has, in writing, released the Bank from making further reports.

### Notices

17. All communications regarding this Order shall be sent to:

- (a) Mr. Basil J. Asaro  
Vice President  
Federal Reserve Bank of Dallas  
P.O. Box 655906  
Dallas, Texas 75265-5906
- (b) Ms. Marguerite Poling  
Chairman of the Board  
Zia New Mexico Bank  
P.O. Box 1248  
Tucumcari, New Mexico 88401
- (c) Mr. G.A. Poling, Jr.  
President  
Zia New Mexico Bank  
P.O. Box 1248  
Tucumari, New Mexico 88401

Miscellaneous

18. The provisions of this Order shall be binding upon the Bank and its institution-affiliated parties, in their capacities as such, and their successors and assigns. Paragraphs 2, 4(d)(ii), and 17 through 21 hereof shall be binding upon Poling in his individual capacity.

19. Each provision of this Order shall remain effective and enforceable until stayed, modified, terminated or suspended by the Board of Governors.

20. Notwithstanding any provision of this Order to the contrary, the Reserve Bank may, in its sole discretion, grant written extensions of time to the Bank or Poling to comply with any provision of this Order.

21. The provisions of this Order shall not bar, estop or otherwise prevent the Board of Governors, the Reserve Bank or any federal or state agency or department from taking any other

action affecting the Bank or any of its current or former institution-affiliated parties, including Poling.

By order of the Board of <sup>W.W.W.</sup> Governors of the Federal Reserve System, effective this <sup>23rd</sup> day of June, 1997.

Zia New Mexico Bank  
Tucumcari, New Mexico

Board of Governors of the  
Federal Reserve System

By: [Signature]

By: [Signature]  
William W. Wiles  
Secretary of the Board

With respect to paragraphs 2, 4(d)(ii), and 17 through 21 hereof, in his individual capacity.

[Signature]  
G.A. Poling, Jr.

The undersigned directors of the Bank each acknowledges having read the foregoing Order and approves of the consent thereto by the Bank.

[Signature]  
Marguerite Poling

[Signature]  
G.A. Poling, Jr.

[Signature]  
Charles Bowen

[Signature]  
Gary Lee

[Signature]  
Apollonio Ramirez

[Signature]  
Van Robertson