

UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D.C.

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In the Matter of )

Docket No. 99-027-B-I16

Matthew J. Callahan )

Order by Consent Pursuant to Section 8 (b)  
of the Federal Deposit Insurance Act,  
as Amended

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WHEREAS, pursuant to section 8 (b) of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. § 1818 (b)) the Board of Governors of the Federal Reserve System (the "Board of Governors") issues this Order by Consent ("Order") against Matthew J. Callahan, 1705 Highland Oaks Way, Lawrenceville, GA 30043;

WHEREAS, this Order resolves allegations that Callahan violated the Change in Bank Control Act (12 U.S.C. 1817 (j)) ("CIBC Act"), in connection with his acquisition of beneficial ownership of shares of First Western Bank, Cooper City, Florida (the "Bank"), a state member bank;

WHEREAS, Callahan was required to file and did file a change-in-control notice under the Change in Bank Control Act, 12 U.S.C. § 1817(j) (the "Notice"), seeking the approval of the Board of Governors to retain voting shares in the Bank, and, therefore, is an institution-affiliated party of the Bank, as defined in section 3(u) of the FDI Act (12 U.S.C. § 1813 (u));

WHEREAS, this Order is by way of settlement only with no adjudication of or finding on any issues of fact or law, and Callahan, by executing this Order, does not admit any wrongdoing or liability with respect to any allegations or claims;

WHEREAS, by affixing his signature hereunder, Callahan has consented to the issuance of this Order by the Board of Governors and to complying with each and every provision that pertains to Callahan; and

WHEREAS, Callahan has waived any and all rights pursuant to 12 U.S.C. § 1818, 12 C.F.R. Part 263, or otherwise: (a) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (b) to obtain judicial review of this Order; and (c) to challenge or contest in any manner the basis, issuance, validity, effectiveness, or enforceability of this Order or any provision hereof.

NOW, THEREFORE, before the taking of any testimony of, 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 pursuant to the aforesaid resolution:

IT IS HEREBY ORDERED, pursuant to section 8 (b) of the FDI Act:

1. Callahan shall not solicit, procure, transfer, attempt to transfer, vote or attempt to vote any proxy, consent, or authorization with respect to any voting rights in the Bank, except as follows:

(a) Callahan may transfer any shares that he owns for the purpose of divesting Callahan's beneficial interests in those shares and ceding all voting control of those shares, as provided for in paragraph 5, below; and

(b) With respect to any matter or matters on which the Bank's shareholders vote, Callahan may authorize the Bank to vote his shares in conformity with the votes of the majority of the votes of the Bank's other voting shareholders on that matter or matters by

providing the Bank with a proxy authorizing it to total the votes of the other shareholders before adding Callahan's votes to the majority.

2. Callahan may not serve as an officer, director, agent, or employee of the Bank without the prior written approval of the Board of Governors.

3. Callahan agrees that he will not knowingly acquire any additional legal, beneficial or other interests in the Bank. Any additional interests that Callahan otherwise acquires will immediately become subject to all terms of this Order.

4. Callahan shall not directly or indirectly engage or participate in any violation of the CIBC Act.

5. Callahan may sell or otherwise transfer his shares of the Bank at any time subject to the following restrictions and requirements:

(a) Callahan agrees that he will not directly or indirectly sell or transfer his shares in the Bank to (i) any person or entity who jointly filed with Callahan, or authorized to be jointly filed with Callahan, the Notice seeking the approval of the Board of Governors to retain ownership interests in the Bank, or (ii) any agent or principal of such person or entity. A list of the persons and entities who jointly filed the Notice, or authorized the Notice to be jointly filed with Callahan (the "Notificants") has been provided to Callahan by the Federal Reserve Bank of Atlanta;

(b) Callahan agrees that he will not directly or indirectly sell or transfer his shares in the Bank if financing for any portion of such sale or transfer is, or will be, provided by a Notificant, or by any agent or principal of a Notificant;

(c) Any sale or transfer of Callahan's shares in the Bank must be in accordance with all applicable federal and state laws and regulations in effect at the time of the sale or transfer; and

(d) Callahan agrees to inform the Federal Reserve Bank of Atlanta in writing, within 10 days of any sale or transfer of his shares in the Bank, of the date of the sale or transfer, the name(s) of the purchaser(s) or transferee(s) of the shares, and the number of shares sold or transferred by Callahan.

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

With respect to the Board of Governors:

David W. Smith  
Assistant Vice President  
Federal Reserve Bank of Atlanta,  
104 Marietta Street, N.W.  
Atlanta, Georgia 30303-2713.

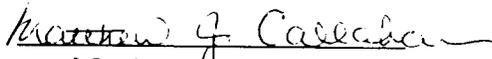
and to:

Matthew J. Callahan  
1705 Highland Oaks Way  
Lawrenceville, GA 30043

7. The provisions of this Order shall not bar, estop or otherwise prevent the Board of Governors or any other federal or state agency or department from taking any other action affecting Callahan, provided, however, the Board of Governors shall not take any further

action against Callahan based upon any information presently known to the Board of Governors concerning the matters addressed in this Order.

By order of the Board of Governors of the Federal Reserve System,  
this 10<sup>th</sup> day of November, 1999.

  
Matthew J. Callahan

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

  
Jennifer J. Johnson  
Secretary of the Board