

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

Written Agreement by and between

AGCOM HOLDINGS, INC.  
Maxwell, Iowa

and

FEDERAL RESERVE BANK OF CHICAGO  
Chicago, Illinois

Docket No. 23-009-WA/RB-HC

WHEREAS, AgCom Holdings, Inc., Maxwell, Iowa (“AgCom”), a registered bank holding company, owns and controls Maxwell State Bank, Maxwell, Iowa (the “Bank”), a state-licensed bank;

WHEREAS, it is the common goal of AgCom and the Federal Reserve Bank of Chicago (the “Reserve Bank”) to maintain the financial soundness of AgCom so that AgCom may serve as a source of strength to the Bank;

WHEREAS, AgCom and the Reserve Bank have mutually agreed to enter into this Written Agreement (the “Agreement”); and

WHEREAS, the undersigned is authorized to enter into this Agreement on behalf of AgCom, and consenting to compliance with each and every provision of this Agreement by AgCom.

NOW, THEREFORE, AgCom and the Reserve Bank agree as follows:

## **Source of Strength**

1. The board of directors of AgCom shall take appropriate steps to fully utilize AgCom’s financial and managerial resources, pursuant to section 38A of the Federal Deposit Insurance Act, as amended (“the FDI Act”) (12 U.S.C. § 1831o-1) and section 225.4(a) of Regulation Y of the Board of Governors of the Federal Reserve System (the “Board of Governors”) (12 C.F.R. § 225.4(a)), to serve as a source of strength to the Bank, including, but not limited to, taking steps to ensure that the Bank complies with the Consent Order entered into with the Federal Deposit Insurance Corporation and the Iowa Superintendent of Banking on January 27, 2023, and any other supervisory action taken by the Bank’s federal or state regulator.

## **Dividends and Distributions**

2. (a) AgCom shall not declare or pay any dividends without the prior written approval of the Reserve Bank and the Director of the Division of Supervision and Regulation of the Board of Governors (the “Director”).

(b) AgCom shall not, directly or indirectly, take dividends or any other form of payment representing a reduction in capital from the Bank without the prior written approval of the Reserve Bank.

(c) All requests for prior approval shall be received by the Reserve Bank at least 30 days prior to the proposed dividend declaration date. All requests shall contain, at a minimum, current and projected information on AgCom’s capital, earnings, and cash flow; the Bank’s capital, asset quality, earnings, and allowance for loan and lease losses; and identification of the sources of funds for the proposed payment or distribution.

### **Debt and Stock Redemption**

3. (a) AgCom shall not, directly or indirectly, incur, increase, or guarantee any debt without the prior written approval of the Reserve Bank. All requests for prior written approval shall contain, but not be limited to, a statement regarding the purpose of the debt, the terms of the debt, and the planned source(s) for debt repayment, and an analysis of the cash flow resources available to meet such debt repayment.

(b) AgCom shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank.

### **Cash Flow Projections**

4. Within 60 days of this Agreement, AgCom shall submit to the Reserve Bank a written statement of its planned sources and uses of cash for debt service, operating expenses, and other purposes (“Cash Flow Projection”) for 2023. AgCom shall submit to the Reserve Bank a Cash Flow Projection for each calendar year subsequent to 2023 at least one month prior to the beginning of that calendar year.

### **Capital Plan**

5. Within 60 days of this Agreement, AgCom shall submit a written plan that is acceptable to the Reserve Bank to maintain sufficient capital (the “Capital Plan”). The Capital Plan shall include the following three items:

(a) an assessment of the adequacy of the Bank’s capital, considering the current and anticipated sources of capital;

(b) an action plan to raise additional capital or take other steps to improve the financial condition of the Bank; and

(c) an enhanced capital contingency plan that fully addresses both the Bank's short-term and long-term capital needs.

### **Affiliate Transactions**

6. (a) AgCom shall take all necessary actions to ensure that the Bank complies with sections 23A and 23B of the Federal Reserve Act (12 U.S.C. §§ 371c and 371c-1) and Regulation W of the Board of Governors (12 C.F.R. Part 223) in all transactions between the Bank and its affiliates, including but not limited to, AgCom.

(b) AgCom shall not cause the Bank to violate any provision of sections 23A and 23B of the Federal Reserve Act or Regulation W of the Board of Governors.

### **Compliance with Laws and Regulations**

7. (a) In appointing any new director or senior executive officer, or changing the responsibilities of any senior executive officer so that the officer would assume a different senior executive officer position, AgCom shall comply with the notice 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. §§ 225.71 *et seq.*).

(b) AgCom shall comply with the restrictions on indemnification and severance payments of section 18(k) of the FDI Act (12 U.S.C. § 1828(k)) and Part 359 of the Federal Deposit Insurance Corporation's regulations (12 C.F.R. Part 359).

## **Progress Reports**

8. Within 45 days after the end of each calendar quarter following the date of this Agreement, AgCom shall submit to the Reserve Bank written progress reports detailing the form and manner of all actions taken to secure compliance with the provisions of this Agreement and the results thereof, and a parent company only balance sheet, income statement, and, as applicable, report of changes in stockholders' equity.

## **Communications**

9. All communications regarding this Agreement shall be sent to:

- (a) Corey W. Gabel  
Assistant Vice President  
Federal Reserve Bank of Chicago  
7601 Office Plaza Drive North, Suite 150  
West Des Moines, Iowa 50266
  
- (b) Ronald Ingram  
Chairman and President  
AgCom Holdings, Inc.  
1362 Highway 59  
Holstein, Iowa 51025

## **Miscellaneous**

10. Notwithstanding any provision of this Agreement, the Reserve Bank may, in its sole discretion, grant written extensions of time to AgCom to comply with any provision of this Agreement.

11. The provisions of this Agreement shall be binding upon AgCom and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(3) of the FDI Act (12 U.S.C. §§ 1813(u) and 1818(b)(3)), in their capacities as such, and their successors and assigns.

12. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the Reserve Bank.

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

14. Pursuant to section 50 of the FDI Act (12 U.S.C. § 1831aa), this Agreement is enforceable by the Board of Governors under section 8 of the FDI Act (12 U.S.C. § 1818).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 9th day of June, 2023.

AGCOM HOLDINGS, INC.

FEDERAL RESERVE BANK  
OF CHICAGO

By: /s/ Ronald Ingram  
Ronald Ingram  
President and Chairman

By: /s/ Richard C. Brunskill  
Richard C. Brunskill  
Senior Vice President  
Bank Holding Company Supervision