

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

AND

OKLAHOMA STATE BANKING DEPARTMENT
OKLAHOMA CITY, OKLAHOMA

_____)	
In the Matter of)	CONSENT ORDER
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)	
FORT GIBSON STATE BANK)	FDIC-18-0220b
FORT GIBSON, OKLAHOMA)	OSBD-19-C&D-2
)	
)	
(Insured State Nonmember Bank))	

The Federal Deposit Insurance Corporation (“FDIC”) is the appropriate Federal banking agency for FORT GIBSON STATE BANK, FORT GIBSON, OKLAHOMA (“Bank”), under 12 U.S.C. § 1813(q).

The Oklahoma State Banking Department (“State”) is the appropriate state banking agency for the Bank, pursuant to Oklahoma law under the Oklahoma Banking Code Title 6 Okla. Stat. § 101 et seq. (the “Code”).

The Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a STIPULATION TO THE ISSUANCE OF A CONSENT ORDER

(“STIPULATION”), dated June 24th, 2019 that is accepted by the FDIC and the State.

With the Stipulation, the Bank has consented, without admitting or denying any charges of violations of law or regulation relating to the Bank Secrecy Act, the Information Technology program, Internal Controls, and consumer compliance to the issuance of this CONSENT ORDER (“ORDER”) by the FDIC and the State.

Having determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) and section 204(B) of the Code and the provisions of the Oklahoma Administrative Procedures Act, Title 75 Okla. Stat. § 250 et seq., have been satisfied or waived, the FDIC and the State hereby orders that:

MANAGEMENT

1. (a) Within 90 days after the effective date of this ORDER, the Bank shall have and retain qualified management.

The qualifications of management shall be assessed on its ability to:

- (1) Comply with the requirements of this ORDER;
- (2) Operate the Bank in a safe and sound manner;
- (3) Comply with applicable laws and regulations; and
- (4) Restore all aspects of the Bank to a safe and sound condition, including asset quality, capital adequacy, earnings, management effectiveness, and liquidity.

(b) While this ORDER is in effect, the Bank shall notify the Regional Director and the Commissioner in writing of any changes in any of the Bank's Directors or Senior Executive Officers. For purposes of this ORDER, "Senior Executive Officer" is defined as in Section 303.101(b) of the FDIC's Rules and Regulations, 12 C.F.R. § 303.101(b). 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 of the Act, 12 U.S.C. § 1831i, and Subpart F of Part 303 of the FDIC's Rules and Regulations, 12 C.F.R. §§ 303.100–303.103.

MANAGEMENT – BOARD SUPERVISION

2. Within 30 days after the effective date of this ORDER, the Bank's Board of Directors shall increase its participation in the affairs of the Bank by assuming full responsibility for the approval of the Bank's policies and objectives and for the supervision of the Bank's management, including all of the Bank's activities. The Board's participation in the Bank's affairs shall include, at a minimum, monthly meetings in which the following areas shall be reviewed and approved by the Board: reports of income and expenses; new, overdue, renewed, insider, charged-off, delinquent, nonaccrued, and recovered loans; investment activities; operating policies; and individual committee actions. The Bank's Board of Directors' minutes shall document the Board's reviews and approvals, including the names of any dissenting Directors.

CLASSIFIED ASSETS – CHARGE-OFF AND PLAN FOR REDUCTION

3. (a) Within 90 days after the effective date of this ORDER, the Bank shall, to the extent that it has not previously done so, eliminate from its books, by charge-off or collection, all assets or portions of assets classified Loss by the FDIC and the State as a result of their examination of the Bank as of January 21, 2019. Elimination or reduction of these assets through proceeds of loans made by the Bank shall not be considered "collection" for the purpose of this paragraph.

(b) Within 90 days after the effective date of this ORDER, the Bank shall submit a written plan to reduce the remaining assets classified Doubtful and Substandard as of January 21, 2019, ("Classified Asset Plan") to the Regional Director of the FDIC's Dallas Regional Office ("Regional Director") and the Commissioner of the Oklahoma State Banking Department

(“Commissioner”) for review. The Classified Asset Plan shall address each asset so classified with a balance of \$100,000 or greater, in addition to each asset advanced, directly or indirectly, to or for the benefit of Bank Directors, executive officers, principal shareholders, or their related interests. The Classified Asset Plan shall include any classified assets identified subsequent to the January 21, 2019, Report of Examination by the Bank internally or by the FDIC or the State in a subsequent visitation or examination. For each identified asset, the Classified Asset Plan should provide the following information:

- (1) The name under which the asset is carried on the books of the Bank;
- (2) Type of asset;
- (3) Actions to be taken in order to reduce the classified asset; and
- (4) Time frames for accomplishing the proposed actions.

The plan shall also include, at a minimum:

- (1) A review of the financial position of each such borrower, including the source of repayment, repayment ability, and alternate repayment sources; and
- (2) An evaluation of the available collateral for each such credit, including possible actions to improve the Bank’s collateral position.

In addition, the Bank’s plan shall contain a schedule detailing the projected reduction of total classified assets on a quarterly basis. Further, the plan shall contain a provision requiring the submission of monthly progress reports to the Bank’s Board of Directors and a provision mandating a review by the Bank’s Board of Directors.

(c) The Bank shall present the plan to the Regional Director and the Commissioner for review. Within 30 days after the Regional Director's and the Commissioner's response, the plan, including any requested modifications or amendments shall be adopted by the Bank's Board of Directors which approval shall be recorded in the minutes of the meeting of the Bank's Board of Directors. The Bank shall then immediately initiate measures detailed in the plan to the extent such measures have not been initiated.

(d) For purposes of the plan, the reduction of adversely classified assets as of January 21, 2019, shall be detailed using quarterly targets expressed as a percentage of the Bank's Tier 1 Capital plus the Bank's Allowance for Loan and Lease Losses and may be accomplished by:

- (1) Charge-off;
- (2) Collection;
- (3) Sufficient improvement in the quality of adversely classified assets so as to warrant removing any adverse classification, as determined by the FDIC or the State; or
- (4) Increase in the Bank's Tier 1 Capital.

(e) While this ORDER is in effect, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified Loss as determined at any future visitation or examination conducted by the FDIC or the State. The Bank shall also update the Classified Asset Plan as needed to reflect any assets subsequently classified as Doubtful or Substandard by the Bank internally or by the FDIC or the State.

RESTRICTION ON ADVANCES TO CLASSIFIED BORROWERS

4. (a) While this ORDER is in effect, the Bank shall not extend, directly or indirectly, any additional credit to or for the benefit of any borrower whose existing credit has been

classified Loss by the FDIC or the State as the result of its examination of the Bank, either in whole or in part, and is uncollected, or to any borrower who is already obligated in any manner to the Bank on any extension of credit, including any portion thereof, that has been charged off the books of the Bank and remains uncollected. The requirements of this paragraph shall not prohibit the Bank from renewing credit already extended to a borrower after full collection, in cash, of interest due from the borrower.

(b) While this ORDER is in effect, the Bank shall not extend, directly or indirectly, any additional credit to or for the benefit of any borrower whose extension of credit is classified Doubtful and/or Substandard by the FDIC or the State as the result of its examination of the Bank, either in whole or in part, and is uncollected, unless the Bank's Board of Directors has signed a detailed written statement giving reasons why failure to extend such credit would be detrimental to the best interests of the Bank. The statement shall be placed in the appropriate loan file and included in the minutes of the applicable Bank's Board of Directors' meeting.

SPECIAL MENTION AND TECHNICAL EXCEPTIONS

5. (a) Within 90 days after the effective date of this ORDER, the Bank shall correct all deficiencies in the loans listed for Special Mention in the Report of Examination as of January 21, 2019. Where efforts are unsuccessful, the Bank shall document the loan file to memorialize the corrective efforts attempted.

(b) Within 90 days after the effective date of this ORDER, the Bank shall correct the technical exceptions listed in the Report of Examination as of January 21, 2019. Where efforts are unsuccessful, the Bank shall document the loan file to memorialize the corrective efforts attempted.

(c) Within 90 days after the effective date of this ORDER, the Bank shall implement a system of monitoring and correcting loan documentation exceptions identified either by the Bank internally or by the FDIC or the State in subsequent visitations or examinations to reduce the occurrence of such exceptions in the future.

REDUCTION OF DELINQUENCIES

6. (a) Within 90 days after the effective date of this ORDER, the Bank shall formulate and submit to the Regional Director and the Commissioner for review and comment a written plan for the reduction and collection of delinquent loans. Such plan shall include, but not be limited to, provisions which:

- (1) Prohibit the extension of credit for the payment of interest;
- (2) Delineate areas of responsibility for implementing and monitoring the Bank's collection policies;
- (3) Establish specific collection procedures to be instituted at various stages of a borrower's delinquency;
- (4) Establish dollar levels to which the Bank shall reduce delinquencies within 60 days; and
- (5) 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 Bank's Board of Directors.

(b) For purposes of the plan, "reduce" means to:

- (1) Charge-off; or
- (2) Collect.

(c) After the Regional Director and the Commissioner have responded to the plan, the

Bank's Board of Directors shall adopt the plan as amended or modified by the Regional Director and the Commissioner. The plan will be implemented immediately to the extent that the provisions of the plan are not already in effect at the Bank.

LOAN COMMITTEE AND LOAN REVIEW REQUIREMENTS

7. (a) Within 90 days after the effective date of this ORDER, the Bank's Board of Directors shall ensure that a loan review committee periodically reviews the Bank's loan portfolio to identify and categorize problem credits. The committee shall file a report with the Bank's Board of Directors at each Board meeting. This report shall include the following information:

- (1) The overall quality of the loan portfolio;
- (2) The identification, by type and amount, of each problem or delinquent loan;
- (3) The identification of all loans not in conformance with the Bank's lending policy; and
- (4) The identification of all loans to officers, Directors, principal shareholders or their related interests.

ALLOWANCE FOR LOAN AND LEASE LOSSES AND AMENDED CALL REPORTS

8. (a) Within 30 days after the effective date of this ORDER, the Bank shall make provisions to its Allowance for Loan and Lease Losses ("ALLL") in an amount equal to those loans required to be charged off by this Order. The allowance should be funded by charges to current operating income, and should be calculated in accordance with generally accepted

accounting standards and ALLL supervisory guidance. After the initial provision is made, the Bank shall thereafter maintain a reasonable ALLL. Prior to the end of each calendar quarter, the Bank's Board of Directors shall review the adequacy of the Bank's ALLL. Such reviews shall include, at a minimum, the Bank's loan loss experience, an estimate of potential loss exposure in the portfolio, trends of delinquent and non-accrual loans and prevailing and prospective economic conditions. The minutes of the Bank's Board of Directors' meetings at which such reviews are undertaken shall include complete details of the reviews and the resulting recommended increases in the ALLL.

LIQUIDITY/ASSET/LIABILITY MANAGEMENT

9. (a) Within 90 days after the effective date of this ORDER, the Bank shall develop and submit to the Regional Director and the Commissioner for review and comment a written plan addressing asset/liability management. Annually thereafter, while this ORDER is in effect, the Bank shall review this plan for adequacy and, based upon such review, shall make necessary revisions to the plan to strengthen funds management procedures and maintain adequate provisions to meet the Bank's liquidity needs. The initial plan shall include, at a minimum, provisions:

- (1) Requiring a minimum level of unencumbered liquid assets to total assets of 10 percent.
- (2) Establishing a reasonable range for its net non-core funding ratio as computed in the Uniform Bank Performance Report;
- (3) Identifying the source and use of borrowed and/or volatile funds;
- (4) Requiring the retention of securities and/or other identified categories of investments that can be liquidated within one day in amounts sufficient (as

a percentage of the Bank's total assets) to ensure the maintenance of the Bank's liquidity posture at a level consistent with short- and long-term liquidity objectives;

- (5) Establishing projections of cash flows arising from assets, liabilities, and off-balance-sheet items over an appropriate set of time horizons;
- (6) Establishing contingency plans by identifying alternative courses of action designed to meet the Bank's liquidity needs and;
- (7) Establishing procedures for effectively managing the Bank's sensitivity to interest rate risk, including reviewing and validating assumptions, backtesting model results, and performing an independent review.

(b) Within 30 days after the receipt of all such comments from the Regional Director and the Commissioner, and after revising the plan as necessary, the Bank shall adopt the plan, which adoption shall be recorded in the minutes of a Board of Directors' meeting. Thereafter, the Bank shall implement the plan.

CAPITAL INCREASE AND MAINTENANCE

10. (a) Within 90 days after the effective date of this ORDER, the Bank shall increase its Tier 1 Capital to a level that satisfies the requirements of the January 14, 2019, Prompt Corrective Action Directive. While this ORDER is in effect, the Bank, after establishing an Allowance for Loan and Lease Losses, shall maintain its Leverage ratio equal to or greater than 10 percent of the Bank's Average Total Assets; and shall maintain its Total Capital ratio equal to or greater than 12 percent of the Bank's Total Risk Weighted Assets. Any increase in the Bank's Tier 1 Capital necessary to meet the capital ratios required by this ORDER may be accomplished by:

- (1) The sale of securities in the form of common stock; or
- (2) The direct contribution of cash subsequent to January 21, 2019, by the Directors and shareholders of the Bank or by the Bank's holding company; or
- (3) Receipt of an income tax refund or the capitalization subsequent to January 21, 2019, of a bona fide tax refund certified as being accurate by a certified public accounting firm; or
- (4) Any other method approved by the Regional Director and the Commissioner.

(b) If any such capital ratios are less than the percentages required by this ORDER, as determined as of the date of any Report of Condition and Income or at an examination by the FDIC or the State, the Bank shall, within 30 days after receipt of a written notice of the capital deficiency from the Regional Director and the Commissioner, present to the Regional Director and the Commissioner a plan to increase the Bank's Tier 1 Capital or to take other measures to bring all the capital ratios to the percentages required by this ORDER. After the Regional Director and the Commissioner respond to the plan, the Bank's Board of Directors shall adopt the plan, including any modifications or amendments requested by the Regional Director and the Commissioner.

(c) Thereafter, the Bank shall immediately initiate measures detailed in the plan, to the extent such measures have not previously been initiated, to increase the Bank's Tier 1 Capital by an amount sufficient to bring all the capital ratios to the percentages required by this ORDER within 30 days after the Regional Director and the Commissioner respond to the plan.

(d) If all or part of the increase in Tier 1 Capital required by this ORDER is to be

accomplished by the sale of new securities, the Bank's Board of Directors shall adopt and implement a plan for the sale of such additional securities, including soliciting proxies and the voting of any shares or proxies owned or controlled by them in favor of the plan. Should the implementation of the plan involve a public distribution of the Bank's securities (including a distribution limited only to the Bank's existing shareholders), the Bank shall prepare offering materials fully describing the securities being offered, including an accurate description of the financial condition of the Bank and the circumstances giving rise to the offering, and any other material disclosures necessary to comply with Federal securities laws. Prior to the implementation of the plan, and in any event, not less than 20 days prior to the dissemination of such materials, the plan and any materials used in the sale of the securities shall be submitted to the FDIC, Accounting and Securities Disclosure Section, Washington, D.C. 20429, for review. Any changes requested to be made in the plan or the materials by the FDIC shall be made prior to their dissemination. If the increase in Tier 1 Capital is to be provided by the sale of non-cumulative perpetual preferred stock, then all terms and conditions of the issue shall be presented to the Regional Director and the Commissioner for prior approval.

(e) In complying with the provisions of this ORDER and until such time as any such public offering is terminated, the Bank shall provide to any subscriber and/or purchaser of the Bank's securities written notice of any planned or existing development or other change which is materially different from the information reflected in any offering materials used in connection with the sale of the Bank's securities. The written notice required by this paragraph shall be furnished within 10 days after the date such material development or change was planned or occurred, whichever is earlier, and shall be furnished to every purchaser and/or subscriber who received or was tendered the information contained in the Bank's original offering materials.

(f) The Capital Plan must include a contingency plan (“Contingency Plan”) that shall include a plan to sell or merge the Bank in the event that the Bank:

- (1) Fails to maintain the minimum capital ratios required by the ORDER,
- (2) Fails to submit an acceptable Capital Plan, or
- (3) Fails to implement or adhere to a Capital Plan to which no written objection was provided by the Regional Director and the Commissioner.

The Bank shall be required to implement the Contingency Plan only upon written notice from the Regional Director and the Commissioner.

(g) For purposes of this ORDER, all terms relating to capital shall be calculated according to the methodology set forth in Part 324 of the FDIC’s Rules and Regulations, 12 C.F.R. Part 324.

INFORMATION TECHNOLOGY

11. (a) Within 90 days after the effective date of this Order, the Bank shall develop and implement an IT audit program that provides comprehensive and continuous audit coverage, the scope of which shall be based on a comprehensive risk assessment. The audit program shall include coverage of the areas recommended in the Audit Booklet of Federal Financial Institutions Examination Council's Information Technology Examination Handbook dated August 2003, and be performed by an auditor with experience and expertise in IT. Audit reports shall be presented to the Bank's Board of Directors for review with the review noted in the Bank's Board minutes.

(b) Within 90 days after the effective date of this Order, the Bank shall develop an Information Security Program that meets the Guidelines Establishing Standards for Safeguarding Customer Information as described in Part 364, Appendix B, of the FDIC's Rules and Regulations, 12 C.F.R. Part 364, App. B. The Bank's Board of Directors shall also appoint an Information Security Officer responsible for implementation and ongoing maintenance of the program, which shall include customer information and vendor risk assessments, strategies for mitigating risks, appropriate information security controls, employee training, regular testing of controls, and annual review of compliance by the Bank's Board.

(c) Within 90 days after the effective date of this Order, the Bank shall develop adequate written policies and procedures covering all facets of information security, operations, and development and/or acquisition of IT. Topics to be addressed shall be consistent with the Federal Financial Institutions Examination Council's Information Technology Examination Handbooks on Information Security, Operations, and Development and Acquisition. Policies shall be communicated to appropriate personnel with their acknowledgement recorded stating

that they will abide by all policies. Annually, these policies shall be reviewed by management for necessary modifications and presented to the Bank's Board of Directors for approval.

(d) Within 90 days after the effective date of this Order, the Bank shall develop Disaster Recovery and Business Continuity Plans following the format detailed in the Federal Financial Institutions Examination Council's Business Continuity Planning Information Technology Examination Handbook. The Bank's Board of Directors shall approve the plans and ensure that they are communicated to appropriate personnel. A full and complete test of the plans shall be conducted with the testing scope and results documented and reported to the Bank's Board of Directors. The plan shall be tested annually thereafter.

(e) Within 90 days after the effective date of this Order, the Bank's Board of Directors shall ensure that all other IT deficiencies cited in the Examination Report are corrected, or document its best efforts to ensure that such deficiencies are corrected.

DIVIDEND RESTRICTION

12. While this ORDER is in effect, the Bank shall not declare or pay any cash dividend without the prior written consent of the Regional Director and the Commissioner.

COMPLIANCE MANAGEMENT SYSTEM

13. (a) Within 90 days from the effective date of this ORDER, the Bank shall develop and implement a Compliance Management System ("CMS") that is commensurate with the level of complexity of the Bank's operations. The CMS shall:

- (1) Include oversight by the Bank's Board and management that includes the following actions:

- a. Ensures the Bank adheres to all the provisions of this ORDER and recommendations for corrective actions contained in the FDIC's Compliance Report of Visitation dated January 7, 2019 ("Report");
- b. Ensures the Bank operates with an adequate Compliance Management System as described in the FDIC's Compliance Examination Manual, Tab II, titled ("Compliance Examinations – Compliance Management System"), pages II-3.1-3.5;
- c. Ensures the Bank demonstrates clear and unequivocal expectations about consumer compliance;
- d. Ensures the Bank adopts clear policy statements;
- e. Ensures the Bank provides its compliance officer with appropriate authority and accountability;
- f. Ensures the Bank allocates resources to compliance functions commensurate with the level and complexity of the Bank's operations;
- g. Ensures anticipation and evaluation of changes in the Bank's operating environment and implementation of responses across impacted lines of business;
- h. Ensures the Bank identifies and addresses compliance risk in its products, services, and other activities, and responds to deficiencies and violations;
- i. Ensures the Bank conducts periodic internal or external independent consumer compliance audits;

- j. Ensures the Bank provides for recurrent reports by the compliance officer to the Board; and
 - k. Ensures the Bank maintains accurate loan and deposit balances regarding all its customers, and promptly corrects any inaccuracies identified, including any applicable information provided to Consumer Reporting Agencies.
- (2) Include the development and implementation of a Compliance Program that is reviewed and approved annually by the Bank's Board, with the board's approval reflected in the minutes of the Bank's Board. The Compliance Program shall include the following components:
- a. Written policies and procedures that shall:
 - i. Reflect changes, based on periodic updates, in the Bank's business and regulatory environment;
 - ii. Provide Bank employees with sufficient information needed to perform a business transaction; and
 - iii. Incorporate and clearly convey to Bank personnel applicable regulatory requirements.
 - b. Implementation and maintenance of a training program that:
 - i. Includes timely, specific, comprehensive training in laws and regulations, and internal policies and procedures, for all Bank employees, including management and the Board, that directly affects their jobs;

- ii. Provides for the Compliance Officer to be responsible for the administration of the training program, and establishment of a regular training schedule for the Board, management, and employees, as well as for third-party service providers, where appropriate;
 - iii. Provides for the Compliance Officer to periodically assess Bank employees on their knowledge and comprehension of the subject matter once they have been trained on a particular subject; and
 - iv. Is frequently updated with current, complete, and accurate information on products and services and business operations of the Bank, consumer protection laws and regulations, internal policies and procedures, and emerging issues in the public domain.
- c. Compliance monitoring and/or audit procedures that are appropriate for the Bank's size, complexity, and risk profile.
- i. At a minimum, monitoring procedures should include ongoing reviews of:
 - 2) Disclosure and calculations for various product offerings;
 - 3) Document filing and retention procedures;
 - 4) Posted notices, marketing literature, and advertising;

- 5) Various state usury and consumer protection laws and regulations;
 - 6) Third-party service provider operations; and
 - 7) Internal compliance communication systems that provide Bank employees appropriate updates resulting from revisions to applicable consumer laws and regulations.
- ii. Audits should be independent, comprehensive, and commensurate with the level of complexity of the Bank's operations. The Bank's Board shall document its efforts, including the review of, and corrective measures made pursuant to, the audit's findings, in the Bank's Board minutes. That audit shall:
- 1) Provide for sufficient transactional testing, as appropriate, for all applicable consumer compliance areas, including those areas identified in the Report; and
 - 2) Identify the causes that resulted in the violations of law or exceptions noted in the Audit Report, if any, with sufficient information to provide management direction in formulating corrective action.
- d. Include the development and implementation of effective procedures to handle consumer complaints.

- i. At a minimum, complaint procedures should address:
 - 1) How complaints are identified and defined;
 - 2) Designation of individuals or departments responsible for handling complaints;
 - 3) Specific procedures to be followed, including determination of the root cause and actions needed to improve the Bank's practices, as appropriate; and
 - 4) A process of reporting complaints to the Board.

(b) Within 90 days after the effective date of this ORDER, the Bank shall eliminate or correct all violations of consumer laws and regulations identified in the Report, and ensure that the Bank's Compliance Program will facilitate compliance with all applicable consumer laws and regulations in the future.

STRATEGIC PLAN

14. (a) Within 90 days after the effective date of this ORDER, the Bank shall prepare and adopt a comprehensive strategic plan. The strategic 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.

(b) The written strategic plan shall address, at a minimum:

- (1) Strategies for pricing policies and asset/liability management;

- (2) Plans for sustaining adequate liquidity, including back-up lines of credit to meet any unanticipated deposit withdrawals;
- (3) Goals for reducing problem loans;
- (4) Plans for attracting and retaining qualified individuals to fill Board and management positions;
- (5) Financial goals, including pro forma statements for asset growth, capital adequacy, and earnings;

(c) The Bank shall submit the strategic plan to the Regional Director and the Commissioner for review and comment. After consideration of all such comments, the Bank shall approve the plan, which approval shall be recorded in the minutes of the Bank's Board of Directors' meeting. Thereafter, the Bank shall implement and follow the strategic plan.

(d) Within 30 days after the end of each calendar quarter following completion of the strategic plan, the Bank's Board of Directors shall evaluate the Bank's 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 Bank's Board of Directors' meeting at which such evaluation is undertaken.

(e) The strategic plan required by this ORDER shall be revised and submitted to the Regional Director and the Commissioner for review and comment 30 days after the end of each calendar year for which this ORDER is in effect. Within 30 days after receipt of all such comments from the Regional Director and the Commissioner and after consideration of all such comments, the Bank shall approve the revised plan, which approval shall be recorded in the minutes of the Bank's Board of Directors' meeting. Thereafter, the Bank shall implement the revised plan.

BUDGET AND PROFIT PLAN

15. (a) Within 90 days after the effective date of this ORDER, the Bank shall formulate and submit to the Regional Director and the Commissioner for review and comment a written profit plan and a realistic, comprehensive budget for all categories of income and expense for calendar year 2019. The plan required by this paragraph shall contain formal goals and strategies, be consistent with sound banking practices, reduce discretionary expenses, 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.

(b) The written profit plan shall address, at a minimum:

- (1) An analysis of the Bank's pricing structure; and
- (2) A recommendation for reducing the Bank's cost of funds.

(c) Within 30 days after the end of each calendar quarter following completion of the profit plan and budget required by this paragraph, the Bank's Board of Directors shall evaluate the Bank's actual performance in relation to the written profit 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 when such evaluation is undertaken.

(d) A written profit plan and budget shall be prepared for each calendar year for which this ORDER is in effect and shall be submitted to the Regional Director and the Commissioner for review and comment within 30 days after the end of each year. Within 30 days after receipt of all such comments from the Regional Director and the Commissioner and after adoption of any recommended changes, the Bank shall approve the written profit plan and budget, which approval shall be recorded in the minutes of a Board of Directors' meeting. Thereafter, the Bank shall implement and follow the plan.

BUSINESS PLAN

16. While this ORDER is in effect, the Bank shall not enter into any new line of business without the prior written consent of the Regional Director and the Commissioner.

CORRECTION OF VIOLATIONS

17. (a) Within 90 days after the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of law and regulation noted in the Report of Examination.

(b) Within 90 days after the effective date of this ORDER, the Bank shall implement procedures to ensure future compliance with all applicable laws and regulations.

INTERNAL AUDIT CONTROL PROGRAM

18. Within 90 days after the effective date of this ORDER, the Bank's Board of Directors shall revise its internal control program to address the internal control deficiencies detailed in the Report of Examination. The internal auditor shall report quarterly to the Board. The report and any comments made by the Directors regarding the internal auditor's report shall be noted in the minutes of the Board meeting.

EXTERNAL AUDITS

19. (a) Within 90 days after the effective date of this ORDER, the Bank shall cause an external audit of its financial statements and a review of its internal controls to be performed by an independent public accounting firm acceptable to the Regional Director and the Commissioner.

(b) The Bank shall provide the Regional Director and the Commissioner with a copy of the proposed engagement letter, pursuant to the paragraph above, with the accounting firm for

review before it is executed. The engagement letter, at a minimum, should include:

- (1) A description of the work to be performed under the engagement letter;
- (2) The responsibilities of the accounting firm;
- (3) An identification of the professional standards covering the work to be performed;
- (4) An identification of the specific procedures to be used when carrying out the work to be performed;
- (5) The qualifications of the employee(s) who are to perform the work;
- (6) The time frame for completion of the work;
- (7) Any restrictions on the use of the reported findings; and
- (8) A provision for unrestricted examiner access to work papers.

(c) While this ORDER is in effect, the Bank shall forward copies of any external audit reports it receives to the Regional Director and the Commissioner within 10 days after the Bank's receipt of

COMPLIANCE COMMITTEE

20. Within 90 days after the effective date of this ORDER, the Bank's Board of Directors shall establish a subcommittee of the Board of Directors charged with the responsibility of ensuring that the Bank complies with the provisions of this ORDER. The subcommittee shall report monthly to the entire Board of Directors of the Bank, and a copy of the report and any discussion related to the report or the ORDER shall be included in the minutes of the Bank's Board of Directors' meeting. Nothing contained herein shall diminish the responsibility of the entire Board of Directors of the Bank to ensure compliance with the provisions of this ORDER.

PROGRESS REPORTS

21. Within 30 days after the end of each calendar quarter commencing on September 30, 2019, the Bank shall furnish to the Regional Director and the Commissioner 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 the Commissioner have released, in writing, the Bank from making further reports.

SHAREHOLDER NOTIFICATION

22. After the effective date of this ORDER, the Bank shall send a copy of this ORDER, or otherwise furnish a description of this ORDER, to its shareholders (1) in conjunction with the Banks' next shareholder communication, and also (2) in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe the ORDER in all material respects. The description and any accompanying communication, statement, or notice shall be sent to the FDIC Accounting and Securities Disclosure Section, Washington, D.C. 20429, for review at least 20 days prior to dissemination to shareholders. Any changes requested by the FDIC shall be made prior to dissemination of the description, communication, notice, or statement.

This ORDER shall be effective on the date of issuance.

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 terminated, suspended, or set aside by the

FDIC and the State.

Issued pursuant to delegated authority this 1st day of July, 2019.

/s/

Julie V. Banfield
Deputy Regional Counsel
Dallas Region
Division of Depositor and Consumer Protection
Federal Deposit Insurance Corporation

/s/

Serena L. Owens
Deputy Regional Director
Dallas Region
Division of Risk Management Supervision

/s/

Mick Thompson
Commissioner
Oklahoma State Banking Department