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UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY

_____) AA-EC-00-36
In the Matter of:)
Founders Trust National Bank)
Sioux Falls, South Dakota)

C O N S E N T O R D E R

The Comptroller of the Currency of the United States of America (“Comptroller”), through his National Bank Examiner, has examined Founders Trust National Bank, Sioux Falls, South Dakota (“Bank”), and his findings are contained in the Report of Examination, dated December 31, 1999 (“ROE”).

The Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated 7/19/00, that is accepted by the Comptroller. By this Stipulation and Consent that is incorporated by reference, the Bank has consented to the issuance of this Consent Order (“Order”) by the Comptroller.

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

ARTICLE I

COMPLIANCE COMMITTEE

(1) Within fifteen (15) days, the Board shall appoint a Compliance Committee of at least three (3) directors, none of whom shall be an employee of the Bank or any of its affiliates (as the term “affiliate” is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. Upon appointment, the names of the members of the Compliance Committee shall be

submitted in writing to the Director for Special Supervision/Fraud. The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Order.

(2) The Compliance Committee shall meet at least monthly.

(3) Within thirty (30) days of the appointment of the Committee and monthly thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

(a) actions taken to comply with each Article of this Order; and

(b) the results of those actions; and

(c) the status of compliance with each Article of this Order.

(4) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Director for Special Supervision/Fraud.

ARTICLE II

BOARD TO ENSURE COMPETENT MANAGEMENT

(1) The Board shall, within ninety (90) days, develop a written plan to ensure that, within one hundred twenty (120) days, the Bank has competent management in place on a full-time basis in the Chief Executive Officer, President, Senior Loan Officer, and Chief Financial Officer positions to carry out the Board's policies, ensure compliance with this Order, applicable laws, rules and regulations, and manage the day-to-day operations of the Bank in a safe and sound manner.

(2) The Board's written plan developed pursuant to Paragraph (1) of this Article shall also ensure that the Bank has sufficient depth of experience in the staffing of all functions relating to lending, leasing, financial reporting, and overall risk management.

(3) In developing its written plan, the Board shall, within sixty (60) days, review the capabilities of the Bank's management to perform present and anticipated duties and the Board will determine whether management changes should be made, including the need for additions to or deletions from current management.

(4) For incumbent officers in the positions mentioned in Paragraph (1) of this Article, the Board shall within sixty (60) days assess each of these officers' experience, other qualifications and performance compared to the person's position description, duties and responsibilities.

(5) If the Board determines that an officer will continue in his/her position but the officer's depth of skills needs improvement, then the Board will within seventy-five (75) days develop and implement a written program, with specific time frames, to improve each such officer's supervision and management of the Bank. At a minimum the written program shall include:

- (a) an education program designed to ensure that the officer has knowledge, skills and abilities necessary to supervise effectively;
- (b) a program to improve the supervisory effectiveness of the officer;
- (c) objectives by which the officer's supervisory effectiveness will be measured; and

- (d) a performance appraisal program for evaluating performance according to the position's description and responsibilities and for measuring performance against the Bank's goals and objectives.

Upon completion, a copy of the written program pursuant to this Paragraph and Paragraph (1) of this Article shall be submitted to the Director for Special Supervision/Fraud.

(6) If a position mentioned in Paragraph (1) of this Article is vacant on or after the effective date of this Order, including if the Board realigns an existing officer's responsibilities and a position mentioned in Paragraph (1) of this Article becomes vacant, the Board shall within sixty (60) days of such vacancy appoint a capable person to the vacant position who shall be vested with sufficient executive authority to ensure the Bank's compliance with this Order and the safe and sound operation of functions within the scope of that position's responsibility.

(7) Prior to the appointment of any individual to an executive officer position as defined in 12 C.F.R. § 215.2(e)(1), the Board shall submit to the Director for Special Supervision/Fraud the following information:

- (a) the information sought in the "Changes in Directors and Senior Executive Officers" booklet of the Comptroller's Corporate Manual, together with a legible fingerprint card for the proposed individual;
- (b) a written statement of the Board's reasons for selecting the proposed officer; and
- (c) a written description of the proposed officer's duties and responsibilities.

(8) The Director for Special Supervision/Fraud shall have the power of veto over the employment of each proposed executive officer. However, the failure to exercise such veto power shall not constitute an approval or endorsement of any proposed officer.

(9) The requirement to submit information and the prior veto provisions of this Article are based on the authority of 12 U.S.C. § 1818(b)(6)(E) and do not require the Comptroller to complete his review and act on any such information or authority within ninety (90) days.

ARTICLE III

CAPITAL PLAN AND HIGHER MINIMUMS

(1) The Bank shall achieve by December 31, 2000, and thereafter maintain the following capital levels (as defined in 12 C.F.R. Part 3):

- (a) Total capital at least equal to twelve percent (12%) of risk-weighted assets;
- (b) Tier 1 capital at least equal to ten percent (10%) of risk-weighted assets;
- (c) Tier 1 capital at least equal to seven percent (7%) of adjusted total assets using actual, rather than average, total assets.

(2) Within ninety (90) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a three-year capital program. The program shall include:

- (a) specific plans for the maintenance of adequate capital that may in no event be less than the requirements of Paragraph (1) of this Article;
- (b) projections for growth and capital requirements based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (c) projections of the sources and timing of additional capital to meet the Bank's current and future needs;
- (d) the primary source(s) from which the Bank will strengthen its capital structure to meet the Bank's needs;
- (e) contingency plans that identify alternative methods should the primary source(s) under (d) above not be available; and

- (f) a dividend policy that permits the declaration of a dividend only:
 - (i) when the Bank is in compliance with its approved capital program;
 - (ii) when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and
 - (iii) with the prior written approval of the Director for Special Supervision/Fraud.

(3) Upon completion, the Bank's capital program shall be submitted to the Director for Special Supervision/Fraud for approval. Upon approval by the Director for Special Supervision/Fraud, the Bank shall implement and adhere to the capital program. The Board shall review and update the Bank's capital program on an annual basis, or more frequently if necessary. Copies of the reviews and updates shall be submitted to the Director for Special Supervision/Fraud.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE IV

STRATEGIC PLAN

(1) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written strategic plan for the Bank covering at least a three-year period. The strategic plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital adequacy, reduction in the volume of nonperforming assets, product line development and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives and, at a minimum, include:

- (a) a mission statement that forms the framework for the establishment of strategic goals and objectives;
- (b) an assessment of the Bank's present and future operating environment;
- (c) the development of strategic goals and objectives to be accomplished over the short and long term;
- (d) an identification of the Bank's present and future product lines (assets and liabilities) that will be utilized to accomplish the strategic goals and objectives established in (1)(c) of this Article;
- (e) an evaluation of the Bank's internal operations, staffing requirements, board and management information systems and policies and procedures for their adequacy and contribution to the accomplishment of the goals and objectives developed under (1)(c) of this Article;
- (f) product line development and market segments that the Bank intends to promote or develop;
- (g) an action plan to improve bank earnings and accomplish identified strategic goals and objectives, including individual responsibilities, accountability and specific time frames;
- (h) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the period covered by the strategic plan;
- (i) control systems to mitigate risks associated with planned new products, growth, or any proposed changes in the Bank's operating environment;

- (j) specific plans to establish responsibilities and accountability for the strategic planning process, new products, growth goals, or proposed changes in the Bank's operating environment; and
- (k) systems to monitor the Bank's progress in meeting the plan's goals and objectives.

(2) Upon adoption, a copy of the plan shall be forwarded to the Director for Special Supervision/Fraud.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plan developed pursuant to this Article.

ARTICLE V

RISK MANAGEMENT

(1) Within ninety (90) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written risk management program to include, at a minimum, the following:

- (a) identification of existing credit, interest rate, liquidity, transaction, compliance, strategic, and reputation risks, and a written analysis of those risks;
- (b) action plans and time frames to reduce risks where exposure is high, particularly with regard to credit card and leasing activities, which impact directly on credit, liquidity, compliance, strategic, and reputation risks, as more fully discussed in the ROE;

- (c) policies, procedures or standards which limit the degree of risk the Board is willing to incur, consistent with the strategic plan and the Bank's financial condition. This includes analyzing and limiting the risks associated with any new lines of business which the Board undertakes. The procedures shall ensure that strategic direction and risk tolerances are effectively communicated and followed throughout the Bank and should describe the actions to be taken where noncompliance with risk policies is identified;
- (d) systems to measure and control risks within the Bank. Measurement systems should provide timely and accurate risk reports by customer, by department or division, and bankwide as appropriate; and
- (e) procedures to ensure that Bank employees have the necessary skills to supervise effectively the current and the new business risks within the Bank, and procedures to describe the actions to be taken to address deficiencies in staff levels and skills.

The risk management program shall be consistent with the Bank Supervision Process booklet, EP-SUP, of the Comptroller's Handbook.

(2) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE VI

CREDIT CARD ACTIVITIES

- (1) Effective immediately, the Bank shall not:
 - (a) issue any new credit cards;
 - (b) enter into any new Rent-a-BIN programs;
 - (c) issue any new cards under any existing Rent-a-BIN programs; and
 - (d) renew any existing Rent-a-BIN contracts.

- (2) Within thirty (30) days, the Board shall adopt, implement and ensure Bank adherence to a written exit strategy establishing an orderly plan for discontinuing all credit cards issued by the bank, including but not limited to, those which were issued in connection with:
 - (a) installment membership contracts; or
 - (b) Rent-a-BIN programs.

- (3) As part of the written plan developed pursuant to Paragraph (2) of this Article, the Board shall address actions to minimize risks to the Bank while preparing to discontinue credit cards that the Bank previously issued and shall address time frames for discontinuing existing credit cards. The plan should include, at a minimum:
 - (a) a process for ensuring that cardholders' rights for a minimum notice period under the cardholder agreement are met;
 - (b) a process to ensure the Bank's discontinuation of all credit cards within six (6) months except as follows:
 - (i) within twelve (12) months in the case of cards issued pursuant to retail installment contracts; and

- (ii) by the date of expiration of any Rent-a-BIN contract in the case of cards issued pursuant to a Rent-a-BIN program.
 - (c) controls to ensure that cardholders' contractual rights, if any, for credit line increases are honored;
 - (d) controls to limit the Bank's potential exposure to credit line increases, with the Bank's:
 - (i) retaining the decision making authority over any credit line increases for cards issued pursuant to a Rent-a-BIN program; and
 - (ii) setting a ceiling on the aggregate line for the portfolio; and
 - (e) controls to ensure that settlement reserve accounts on Rent-a-BIN programs are adequately funded by the program's sponsor at all times.
- (4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plan developed pursuant to this Article.

ARTICLE VII

LEASING PORTFOLIO

- (1) Effective immediately, the Bank shall not acquire any new leases without the prior written nonobjection of the Director for Special Supervision/Fraud.
- (2) Within thirty (30) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written program to manage its lease portfolio, including but not limited to:
 - (a) ensuring the Bank has control over the individual lease payments and has verified the source of the payments and retained documentation in its files;

- (b) ensuring the Bank has control of the collection process on delinquent leases;
- (c) ensuring the Bank has control over customer service issues;
- (d) ensuring the Bank has control over the repossession and liquidation of the underlying assets;
- (e) independently ascertaining collateral and residual values without reliance on lessor's appraisal of these values;
- (f) clarifying the legal status of ownership of the underlying assets;
- (g) obtaining counsel's opinion, from an attorney experienced in lease documentation, with regard to the enforceability of both the underlying leases and documentation of the sale/assignment between the lessor and the Bank; and
- (h) independently ascertaining the status of payments of all applicable highway and use taxes.

(3) Within thirty (30) days, the Board shall amend the Bank's credit risk program to establish prudent concentration limits on leases and equipment type, including considering the type of industry in which the lessee operates any commercial equipment that is being leased.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

(5) The Board, or its designated Compliance Committee established pursuant to Article I of this Order, shall conduct a review, on at least a quarterly basis, to determine:

- (a) management's adherence to the program adopted pursuant to this Article;

- (b) the status and effectiveness of the written program; and
 - (c) the need to revise the program or to take alternative action.
- (6) A copy of each review shall be forwarded to the Director for Special Supervision/Fraud on a quarterly basis.

ARTICLE VIII

CALL REPORTS

(1) Within ninety (90) days, the Board shall adopt and cause the Bank to implement policies and procedures, in accordance with the Instructions for Preparation of Consolidated Reports of Condition and Income, to ensure that all official and regulatory reports filed by the Bank accurately reflect the Bank's condition as of the date that such reports are submitted. Thereafter the Board shall ensure Bank adherence to the policies and procedures adopted pursuant to this Article.

(2) Upon completion of the policies, the Board shall submit a copy of the policies to the Director for Special Supervision/Fraud.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the programs developed pursuant to this Article.

ARTICLE IX

CONFLICT OF INTEREST POLICY

(1) Within thirty (30) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written, comprehensive conflict of interest policy applicable to the Bank's and Empire Bancshares' directors, principal shareholders, executive officers, affiliates,

employees (“Insiders”), related interests of such Insiders, and entities in which the Bank, Empire Bancshares, or such Insiders have an ownership, investment, or managerial interest. The policy, in addition to defining a conflict of interest, shall address:

- (a) avoidance of conflicts of interest and breaches of fiduciary duty, and the appearance of conflicts of interest;
- (b) involvement in the loan or lease approval process of Insiders who may benefit directly or indirectly from the decision to grant credit;
- (c) disclosure of actual and potential conflicts of interest to the Board, and periodic disclosure of "related interests" as defined by 12 C.F.R. Part 215;
- (d) requirements for arms-length dealing in any transactions by Insiders, or their related organizations, involving the Bank's sale, purchase, or rental of property and services;
- (e) disclosure of any Insider’s material interest in the business of a borrower, an applicant, or other customer of the Bank; and
- (f) restrictions on and disclosure of receipt of anything of value by Insiders, directly or indirectly, from borrowers, loan applicants, other customers, or suppliers of the Bank.

(2) Within sixty (60) days, for the purpose of identifying relationships not in conformity with the policy, the Compliance Committee shall conduct a review of the Bank's existing relationships with its and Empire Bancshares’ Insiders and their related interests and entities in which the Bank, Empire Bancshares, or such Insiders have an ownership, investment, or managerial interest. The Board shall ensure that:

- (a) any nonconforming relationships are brought into conformity with the policy within ninety (90) days; and
- (b) within ninety (90) days the Bank is properly reimbursed for:
 - (i) any excess or improper payments to Insiders and their related interests; and
 - (ii) any excess or improper payments for services provided by Insiders and their related interests.

Thereafter, the Board shall review all proposed transactions, or modifications of existing relationships, between the Bank and any of its or its holding company's directors, executive officers, affiliates, principal shareholders, employees and their related interests. Documentation supporting these reviews shall be in writing and preserved in the Bank.

(3) With respect to the Bank's activities and transactions with Veritas Card Systems, L.L.C. ("Veritas"), the Board shall, effective immediately, ensure that any funds paid or loans made to Veritas shall be either:

- (a) on terms and under circumstances, including credit standards, that are substantially the same, or at least as favorable, as those prevailing at the time for comparable transactions with or involving a person or entity in which the Bank and its directors and officers have no ownership, investment, or managerial interests; or
- (b) in the absence of comparable transactions, on terms and under circumstances, including credit standards, that in good faith would be offered to, or would apply to, a person or entity in which the Bank and its

directors and officers have no ownership, investment, or managerial interests.

(4) Upon adoption, a copy of the policy developed pursuant to Paragraph (1) of this Article shall be forwarded to the Director of Special Supervision/Fraud for review and approval.

(5) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to Paragraph (1) of this Article.

ARTICLE X

NEW PRODUCTS AND SERVICES

(1) Prior to the Bank's involvement in any new products or services or the significant expansion of any existing product or service, the Board shall prepare a written analysis of said product or service. The analysis shall, at a minimum, include the following:

- (a) an assessment of the risks and benefits of the product or service to the Bank;
- (b) an explanation of how the product or service is consistent with the Bank's strategic plan;
- (c) an evaluation of the adequacy of the Bank's organizational structure, staffing, MIS, internal controls and written policies and procedures to identify, measure, monitor, and control the risks associated with the product or service; and
- (d) a profitability analysis, including growth projections and interest rate risk.

(2) Prior to the Bank's involvement in the new product or service or the significant expansion of any existing product or service, a copy of the analysis shall be submitted to the Director for Special Supervision/Fraud.

(3) For purposes of this Article, "significant expansion" shall be defined as growth greater than twenty percent (20%) on an annual basis where that product or service accounts for greater than either two percent (2%) of total assets or five percent (5%) of annual income.

ARTICLE XI

OUTSOURCING OF BANKING FUNCTIONS

(1) Within sixty (60) days, the Board shall adopt, implement and thereafter shall ensure Bank adherence to a written policy governing the outsourcing of banking functions, including, but not limited to, credit card solicitations and servicing and the servicing of leases. This policy shall incorporate, but not necessarily be limited to, requirements for the following:

- (a) an analysis of the costs and benefits of outsourcing versus performing the function within the Bank;
- (b) an analysis of the capacity of the vendor to perform the function while maintaining safe and sound controls over the function;
- (c) a written contract between the Bank and the vendor which sets forth the responsibilities of each party, especially the vendor's specific performance responsibilities and duty to maintain adequate internal controls over the function, and which grants the Bank or its representative(s) the authority to conduct periodic onsite reviews of the vendor's controls, performance, and information systems as they relate to the outsourced banking function;

- (d) periodic onsite audit review by the Bank or its representative(s) of the vendor's controls, performance, and information systems; and
 - (e) Board approval of any outsourced banking function.
- (2) Upon its adoption, a copy of the policy adopted pursuant to Paragraph (1) of this Article shall be submitted to the Director for Special Supervision/Fraud.
- (3) Within ninety (90) days, the Bank shall review all existing outsourced banking functions to evaluate the costs and benefits of continuing the outsourcing and to assess the adequacy of controls and monitoring systems which the vendor maintains over the function.
- (4) Within one hundred twenty (120) days, the Board shall:
- (a) determine whether to continue the existing outsourced banking functions;
 - (b) resolve any deficiencies identified during the review under Paragraph (3) of this Article; and
 - (c) bring currently outsourced functions into compliance with the policy adopted pursuant to Paragraph (1) of this Article.
- (5) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

ARTICLE XII

NEW CONTRACTS

- (1) Effective immediately, the Bank shall not enter into new written or oral contracts or commitments with third parties that are engaged in the leasing business, credit card business,

or any new product or service that directly or indirectly obligates the Bank in amounts equal to or exceeding \$10,000 unless first:

- (a) specifying the rights, duties, and liabilities of the parties to the contract or commitment, including a written provision specifying the terms and conditions of any termination of the contract or commitment;
- (b) performing a complete written analysis and documentation that the contract or commitment is being conducted at arm's length on terms and conditions fair and reasonable to the Bank, including the ability of the parties to perform under the contract or commitment. This complete written analysis shall be included in the Board minutes;
- (c) disclosing in the Board minutes any affiliation with any present or past bank officer, director, principal shareholder, or related interest of such person;
- (d) obtaining Board approval documented in the Board minutes; and
- (e) providing prior written notification to the Director for Special Supervision/Fraud for review. As part of the prior written notification, the Bank shall submit in final draft form the complete documentation described in (a) through (d) of this Article to the Director for Special Supervision/Fraud.

ARTICLE XIII

VIOLATIONS OF LAW

(1) The Board shall immediately take all necessary steps to ensure that Bank management corrects each violation of law, rule or regulation cited in the ROE and in any

subsequent Report of Examination. The monthly progress reports required by Article I of this Order shall include the date and manner in which each correction has been effected during that reporting period.

(2) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(3) Within ninety (90) days of receipt of any subsequent Report of Examination which cites violations of law, rule, or regulation, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in each such Report of Examination and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(4) Upon adoption, a copy of these procedures shall be promptly forwarded to the Director for Special Supervision/Fraud.

(5) The Board shall ensure that the Bank has policies, processes, personnel, and control systems to ensure implementation of and adherence to the procedures developed pursuant to this Article.

ARTICLE XIV

CONSUMER COMPLIANCE PROGRAM

(1) Within ninety (90) days, the Bank shall implement and thereafter ensure adherence to the Bank's written consumer compliance program designed to ensure that the Bank is operating in compliance with all applicable consumer protection laws, rules and regulations.

(2) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the Bank's consumer compliance program.

ARTICLE XV

CLOSING

(1) Although the Board is by this Order required to submit certain proposed actions and programs for the review or approval of the Director for Special Supervision/Fraud, the Board recognizes that it has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Order shall begin to run from the effective date of this Order. Such time limitations may be extended in writing by the Director for Special Supervision/Fraud for good cause upon written application by the Board.

(4) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose hand appears below, and shall remain

effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(5) This Order shall supersede the Formal Agreement dated March 25, 1999, and the Consent Order dated April 20, 1999.

IT IS SO ORDERED, this 19th day of July, 2000_.

Signed

Ronald G. Schneck
Director for Special Supervision/Fraud

Date

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY

_____) AA-EC-00-36
In the Matter of:)
Founders Trust National Bank)
Sioux Falls, South Dakota)

STIPULATION AND CONSENT TO THE ISSUANCE
OF A CONSENT ORDER

WHEREAS the Comptroller of the Currency of the United States of America (“Comptroller”) is of the opinion that factual and legal grounds exist to initiate cease and desist proceedings against Founders Trust National Bank, Sioux Falls, South Dakota (“Bank”) pursuant to 12 U.S.C. § 1818(b).

WHEREAS the Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated July 19, 2000 (“Order”);

In consideration of the above premises, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

ARTICLE I

Jurisdiction

- (1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*
- (2) The Office of the Comptroller of the Currency is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).
- (3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1818(b)(1).

ARTICLE II

Agreement

(1) The Bank, without admitting or denying any wrongdoing, hereby consents and agrees to the issuance of the Order by the Comptroller. The Bank further agrees that said Order shall be deemed an “order issued with the consent of the depository institution” as defined in 12 U.S.C. § 1818(h)(2), and consents and agrees that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818(i).

ARTICLE III

Waivers

(1) The Bank, by signing this Stipulation and Consent, admits to the jurisdiction of the Comptroller with respect to the matters set forth in the Order pursuant to 12 U.S.C. § 1818(b).

- (2) The Bank, by signing this Stipulation and Consent, hereby waives:
- (a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);
 - (b) any and all procedural rights available in connection with the issuance of the Order;
 - (c) all rights to seek any type of administrative or judicial review of the Order; and
 - (d) any and all rights to challenge or contest the validity of the Order.

ARTICLE IV

Other Action

(1) The Bank agrees that the provisions of this Stipulation and Consent shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, he deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller.

Signed

Ronald G. Schneck
Director for Special Supervision/Fraud

7/19/00

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

Signed _____ Keith A. Beeners	7/19/00 _____ Date
Signed _____ Michael John Dalsin	7/19/00 _____ Date
Signed _____ Arthur B. DeWit	7/19/00 _____ Date
Signed _____ Howard E. Kosel	7/19/00 _____ Date
Signed _____ Wayne E. Puppe	7/19/00 _____ Date
_____ Donald A. Schellpfeffer	_____ Date

