

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

In the Matter of:)
First National Bank and Trust Company) **AA-WE-08-59**
Powell, Wyoming)

CONSENT ORDER

The Comptroller of the Currency of the United States of America (“Comptroller”), through his National Bank Examiner, has supervisory authority over First National Bank and Trust Company, Powell, Wyoming (“Bank”).

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 September 3, 2008, that is accepted by the Comptroller. By this Stipulation and Consent, which 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 thirty (30) days, the Board shall appoint a Compliance Committee of at least three (3) directors, of which no more than one (1) 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)). Upon appointment,

the names and members of the Compliance Committee shall be submitted in writing to the Assistant Deputy Comptroller. 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 quarterly thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

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

(b) the results of those actions.

(4) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Assistant Deputy Comptroller.

ARTICLE II

CRITICIZED ASSETS

(1) The Bank shall take immediate and continuing action to protect its interest in those assets criticized as "doubtful," "substandard," or "special mention" in the ROE, in any subsequent Report of Examination, by internal or external loan review, or in any list provided to management by the National Bank Examiners at the conclusion of an examination.

(2) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written program designed to fully address assets criticized in the ROE, in any subsequent Report of Examination, or by any internal or external loan review, or in any list provided to management by the National Bank Examiners at the conclusion of an examination as "doubtful," "substandard," or "special mention." This program shall include, at a minimum:

- (a) an identification of the expected sources of repayment and estimated time of repayment;
- (b) monthly review of each criticized asset by senior management;
- (c) current appraisal/collateral valuation and the position of the Bank's lien on such collateral where applicable;
- (d) an analysis of current and satisfactory credit information, including cash flow analysis where appropriate; and
- (e) actions needed to eliminate the basis of criticism and the time estimate for its accomplishment.

(3) Upon adoption, a copy of the program for all criticized assets equal to or exceeding one hundred thousand dollars (\$100,000) shall be forwarded to the Assistant Deputy Comptroller.

(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 a designated committee, shall conduct a review, on at least a quarterly basis, to determine:

- (a) the status of each criticized asset or criticized portion thereof that equals or exceeds one hundred thousand dollars (\$100,000);
- (b) management's adherence to the program adopted pursuant to this Article;
- (c) the status and effectiveness of the written program; and
- (d) the need to revise the program or take alternative action.

(6) A copy of each review shall be forwarded to the Assistant Deputy Comptroller on a quarterly basis (in a format similar to Appendix A, attached hereto).

(7) The Bank may extend credit, directly or indirectly, including renewals, extensions or capitalization of accrued interest, to a borrower whose loans or other extensions of credit are criticized in the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination and whose aggregate loans or other extensions exceed one hundred thousand dollars (\$100,000) only if each of the following conditions is met:

- (a) the Board or designated committee finds that the extension of additional credit is necessary to promote the best interests of the Bank and that prior to renewing, extending or capitalizing any additional credit, a majority of the full Board (or designated committee) approves the credit extension and records, in writing, why such extension is necessary to promote the best interests of the Bank; and
- (b) a comparison to the written program adopted pursuant to this Article shows that the Board's formal plan to collect or strengthen the criticized asset will not be compromised.

(8) A copy of the approval of the Board or of the designated committee shall be maintained in the file of the affected borrower.

ARTICLE III

CREDIT RISK

(1) Within sixty (60) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program to reduce the high level of credit risk in the Bank. The program shall include, but not be limited to:

- (a.) procedures to strengthen credit underwriting of the construction and land development loan portfolio, including expanded loan presentations and analysis providing for:
 - (i.) global financial analysis with sufficient detail on borrower/guarantor financial condition;
 - (ii.) multivariable stress testing of risk factors for construction and land development projects;
 - (iii.) use of loan covenants for land development and residential construction projects;
 - (iv.) expanded review of significant appraisal assumptions and underlying support;
 - (v.) appropriate repayment terms on speculative real estate loans;
 - (vi.) semi-annual loan review beginning within 90 days to evaluate the effectiveness of management's commercial real estate lending program.
- (b.) reduction in land development and out of area loan participations,

- (c.) establishment of appropriate risk limits for land development loans, loans to one developer or corporate group, purchased participation loans, and purchased participation loans from one lead bank or affiliated group of banks.
- (d.) board directive to lending staff to discontinue further purchased loan participations for land development or construction projects until they meet all other requirements of this article.
- (e.) enhanced procedures to ensure proper risk rating of loans including;
 - (i.) clear written correspondence from FNBT to lead banks requiring their acknowledgement and commitment to obtain and submit timely credit and collateral information on each participation loan purchased by FNBT,
 - (ii.) discontinuation of further loan purchases from lead banks that do not supply timely credit and collateral information on participation loans,
 - (iii.) monthly status reporting of risk ratings and supporting comments for board review and approval of assigned loan grades on all out-of-area land development loans, and
 - (iv.) internal training of lending staff to ensure proper risk rating of agriculture production loans with carry over debt from previous year operating losses.

(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. At least quarterly, the Board shall prepare a written assessment of the Bank's credit risk, which shall evaluate the Bank's progress under the aforementioned program. The Board shall submit a copy of this assessment to the Assistant Deputy Comptroller.

ARTICLE IV

CAPITAL AND STRATEGIC PLAN

(1) Beginning no later than September 30, 2008, the Bank shall at all times maintain the following minimum capital ratios:

- (a) Tier 1 capital at least equal to eight and one-half percent (8.5%) of adjusted total assets; and
- (b) Total risk-based capital at least equal to ten and one-half percent (10.5%) of risk-weighted assets.

(2) For purposes of this Article, "Tier 1 capital," "total risk-based capital," "adjusted total assets," and "risk-weighted assets" as defined in 12 C.F.R. Part 3.

(3) The requirement in this Order to meet and maintain a specific capital level means that the Bank is not to be deemed "well capitalized" for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6 pursuant to 12 C.F.R. § 6.4(b)(1)(iv).

(4) Effective immediately, the Bank shall only declare dividends:

- (a) when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and
- (b) with the prior written approval from the Assistant Deputy Comptroller, which shall be granted or denied within thirty (30) days of the receipt of a dividend request from the Bank.

(5) Within thirty (30) days of the date of this Order, the Board shall develop, implement, and thereafter ensure Bank adherence to a written capital and strategic plan for the Bank covering at least the next three years (hereafter the “Bank’s Three-Year Plan”), complete with specific time frames that incorporate the other requirements of this Article. Copies of the Bank’s Three-Year Plan shall be forwarded to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(6) The Bank’s Three-Year Plan shall establish objectives and projections for the Bank’s capital adequacy and strategic direction, together with specific plans to achieve those objectives, that are specific, measurable, verifiable, and, at a minimum, address or include:

- (a) an assessment of the Bank’s present condition;
- (b) the development of goals and objectives to be accomplished over the short and long term;
- (c) Clear communication to bank staff that lending efforts should focus on the bank’s local community and discontinue purchases of out-of-area loan participations in land development and construction projects;
- (d) quarterly updated 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;
- (e) Procedures to ensure that any deficiency in the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the Consolidated Reports of Condition and Income, by additional provisions from earnings;
- (f) projections of the sources and timing of additional capital to meet the Bank’s current and future funding needs;

- (g) primary source from which the Bank will strengthen its capital structure to meet the Bank's needs;
- (h) contingency plans that identify alternative methods should the primary sources(s) not be available, including specific actions to shrink the bank's asset base if needed;
- (i) a dividend policy that only permits the declaration of a dividend in accordance with Paragraph (4) of this Article;
- (j) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the next three (3) years that shall address or include consideration of the requirements of this Article; and
- (k) systems to monitor the Bank's progress in meeting the plan's goals and objectives.

(7) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the Bank's Three-Year Plan.

ARTICLE V

CONTINGENCY FUNDING PLAN

(1) Within sixty (60) days, the Board shall establish a plan that ensures the Bank operate with a robust liquidity monitoring program and maintain adequate sources of liquidity in relation to the Bank's needs. The formalized written liquidity plan should address the responsibilities of senior management during a funding crisis and include at a minimum:

- (a) estimate of amount of liquid funds from each source and specific timeframes for management to acquire funds;
- (b) priority ordering of actions to increase liquid funds;
- (c) contact with correspondent banks to inform them of adverse conditions and determine the likelihood of continued line availability;
- (d) daily management meetings and reporting to oversee implementation of contingency plans while the bank is in a liquidity crisis, and
- (e) addition of a liquidity crisis trigger(s) relating to regulatory matters (e.g. formal enforcement action, drop in capital category).
- (f) testing schedule to validate contingency funding plan.

(2) Monthly reports shall set forth liquidity requirements and sources. Copies of these reports shall be forwarded to the Assistant Deputy Comptroller.

ARTICLE VI

CLOSING

(1) Although the Bank is required to submit certain proposed actions and programs for the review or prior written determination of no supervisory objection of the Deputy Comptroller, the Board has the ultimate responsibility for proper and sound management of the Bank and the completeness and accuracy of the Bank's books and records.

(2) If, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States 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) The provisions of this Order 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.

(4) In each instance in this Order in which the Bank or the Board is required to ensure implementation of or adherence to, or to undertake to perform, an obligation of the Bank, the Board shall:

- (a) authorize and adopt such actions on behalf of the Bank as may be necessary or appropriate for the Bank to perform its obligations under this Order;
- (b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Order;
- (c) follow up on any noncompliance with such actions in a timely and appropriate manner; and
- (d) require corrective action be taken in a timely manner for any noncompliance with such actions.

(5) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b), and expressly does not form, and may not be construed to form, a contract binding the Comptroller or the United States.

(6) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, has this 3rd day of September 2008.

/s/

September 3, 2008

H. Gene Robinson
Assistant Deputy Comptroller
Salt Lake City/Billings Field Office

Date

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

In the Matter of:)	
First National Bank and Trust Company)	AA-WE-08-59
Powell, Wyoming)	

**STIPULATION AND CONSENT TO THE ISSUANCE
OF A CONSENT ORDER**

The Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate cease and desist proceedings against First National Bank and Trust Company, Powell, Wyoming (“Bank”), pursuant to 12 U.S.C. § 1818(b), for unsafe and unsound banking practices.

The Bank is a wholly-owned subsidiary of First Company.

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated September 3, 2008 (the “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 Comptroller 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).

(4) This Order shall cause the Bank not to be designated as an “eligible bank” for purposes of 12 C.F.R. § 5.3(g), unless otherwise informed in writing by the Comptroller.

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.

(2) 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). Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(3) The Bank also expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller’s exercise of his supervisory responsibilities.

(4) The Annual meeting of the Shareholders of First Company held on January 29, 2009, may result in a change of the directors of the Bank who shall be obligated to comply with this Order.

ARTICLE III

WAIVERS

- (1) 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 a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19;
 - (d) all rights to seek any type of administrative or judicial review of the Order; and
- 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, it 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.

/s/

September 3, 2008

H. Gene Robinson
Assistant Deputy Comptroller
Salt Lake City/Billings Field Office

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.

<i>signed</i> _____ Bradley D. Bonner	9/3/08 _____ Date
<i>signed</i> _____ Gary L. Mills	9/3/08 _____ Date
<i>signed</i> _____ Richard S. Nelson	9/3/08 _____ Date
<i>signed</i> _____ Richard Tyler Nelson	9/3/08 _____ Date
<i>signed</i> _____ Robert Andrew Nelson	9/3/08 _____ Date
<i>signed</i> _____ Douglas V. Nissen	9/3/08 _____ Date
<i>signed</i> _____ David Reetz	9/3/08 _____ Date
_____ Joel Revill	_____ Date
<i>Signed</i> _____ Victor Riley	9/3/08 _____ Date
_____ Colin M. Simpson	_____ Date
<i>signed</i> _____ Julie Sullivan	9/3/08 _____ Date
<i>signed</i> _____ Jack T. Turnell	9/3/08 _____ Date
_____	_____