

1. 12 C.F.R. § 563.177(c)(1), pertaining to the maintenance of a Bank Secrecy Act (BSA) compliance program that provides for a system of internal controls to assure ongoing compliance; and

2. 31 C.F.R. § 103.27(a)(1), pertaining to the filing of currency transaction reports.

IT IS FURTHER ORDERED THAT:

CORRECTIVE PROVISIONS

Bank Secrecy Act and Anti-Money Laundering (AML).

3. Within 60 days of the Effective Date, the Board shall conduct a review of the Association's current BSA compliance program and identify any instances where the Association fails to comply with the Association's current BSA compliance program. Thereafter, the Board shall conduct such a review on at least an annual basis and approve the Association's BSA compliance program.

4. Upon the identification of any exceptions to the current BSA compliance program by the Association, pursuant to the review required under Paragraph 3, the Board shall take immediate and appropriate actions to ensure that the Association's management corrects all such exceptions, and establishes policies and procedures to ensure ongoing future compliance with the Association's BSA compliance program.

5. The Board shall take all steps necessary to ensure that an independent third-party conducts BSA/AML reviews on an annual basis, consistent with the Association's current BSA compliance program, with the findings of such reviews presented to the Board for its review and consideration. A copy of each annual independent third-party's BSA/AML review shall be incorporated within the Association's Board minutes of each meeting where such BSA/AML review is initially presented by the independent third-party to the Board for its consideration.

6. The Board shall ensure that the independent third-party engaged by the Board, pursuant to Paragraph 5, shall, at a minimum, address and document: (i) the scope of coverage of the BSA compliance program with respect to regulatory requirements, (ii) the adequacy of internal controls, (iii) the Association's timely implementation of corrective actions recommended through such annual independent testing, (iv) the ability of the Association's management to self-identify and self-correct instances of noncompliance with the BSA program, (v) the ability of the designated BSA officer and staff to coordinate and monitor day-to-day compliance with BSA laws and regulations, (vi) the adequacy of training of all Association personnel, including the Board and management, and (vii) the adequacy and effectiveness of the communication of the BSA compliance program requirements to all appropriate Association personnel.

7. As of the Effective Date, the Board shall ensure that its minutes accurately reflect the Association's actions taken in response to the recommendations contained within the independent third party's BSA/AML annual reviews, as provided by Paragraphs 5 and 6. In instances where the Board determines not to take, or does not fully incorporate the action(s) recommended in the independent third-party's annual BSA/AML review, the Board minutes shall state in detail the basis for such a decision not to accept the independent third-party's BSA/AML recommendation(s).

8. As of the Effective Date, the Association shall not open any business checking accounts without having first obtained acceptable evidence of the legal existence of such a business. Such acceptable forms of evidence of the legal existence of a business may, at a minimum, include documents such as a certificate of incorporation, charter, by-laws, etc.

9. As of the Effective Date, at the time a business checking account is opened by the Association, such an account will be risk assessed and assigned a risk rating.

Cash Transactions and Suspicious Activity Reports (SARs).

10. Within 60 days of the Effective Date, the Association, under the direction of the Board, shall make revisions to the Association's cash transactions spreadsheets, as set forth within the ROE.

11. From the Effective Date, the Association shall take all steps necessary to ensure that all currency transactions are reviewed, and where appropriate, reported as required pursuant to 31 C.F.R. 103.27(a)(1).

12. Within 60 days of the Effective Date, the Board shall ensure that the Association's management has developed and implemented procedures that document and explain decisions not to file SARs when suspicious activity is identified. On a monthly basis, management of the Association shall submit a current report to the Board identifying any management decision not to file a SAR when suspicious activity is identified, as well as SARs filed during that same period.

Compliance with Order.

13. The Board shall take immediate action to cause the Association to comply with the terms of this Order and shall take all actions reasonably necessary or appropriate thereafter to cause the Association to continue to carry out the provisions of this Order.

14. The Board, on a monthly basis, beginning with the first full month after the Effective Date of this Order, shall adopt a Board resolution (Compliance Resolution) formally resolving that, following a diligent inquiry of relevant information (including reports of management), to the best of its knowledge and belief, during the immediately preceding calendar month, the

Association has complied with each provision of this Order. The Compliance Resolution shall specify in detail how, if at all, full compliance was found not to exist.

15. No later than the 25th calendar day of the month following the end of a month, beginning with the end of the first full month following the Effective Date of this Order, the Association shall provide to the Regional Director of the Central Region of the OTS (Regional Director) a certified true copy of the Compliance Resolution(s) adopted at the Board meeting. The Board, by virtue of the Association's submission of a certified true copy of each such Compliance Resolution to the Regional Director, shall be deemed to have certified to the accuracy of the statements set forth in each Compliance Resolution, except as provided below. In the event that one or more directors do not agree with the representations set forth in a Compliance Resolution, such disagreement shall be noted in the minutes of the Association.

Definitions.

16. All technical words or terms used in this Order and the Stipulation for which meanings are not specified by the provisions of this Order shall, insofar as applicable, have meanings as defined in the BSA Requirements, Chapter V of Title 12 and Chapter I of Title 31 of the Code of Federal Regulations, the Home Owners' Loan Act (HOLA), Federal Deposit Insurance Act (FDIA), the USA Patriot Act, or OTS publications. Any such technical words or terms used in this Order and undefined in said BSA Requirements, Code of Federal Regulations, HOLA, FDIA, the USA Patriot Act or OTS publications shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

Successor Statutes, Regulations and Guidance.

17. Reference in this Order to provisions of statutes, regulations, OTS memoranda, and other published regulatory guidance shall be deemed to include references to all amendments to such provisions as have been made as of the Effective Date and reference to successor provisions as they become applicable.

No Violations Authorized; OTS Not Restricted.

18. Nothing in this Order or the Stipulation shall be construed as: (i) allowing the Association to violate any law, rule, regulation, or policy statement to which it is subject, or (ii) restricting or estopping the OTS from taking any action(s) that it believes are appropriate in fulfilling the responsibilities placed upon it by law including, without limitation, any type of supervisory, enforcement or other action that OTS determines to be appropriate, arising out of matters described in the ROE, or based on other matters.

Miscellaneous.

19. Time limitations for compliance with the terms of this Order, unless otherwise specified, run from the Effective Date.

20. The section and paragraph headings herein are for convenience only and shall not affect the construction hereof.

21. In case any provision in this Order is ruled to be invalid, illegal or unenforceable by a decision of any court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his/her sole discretion determines otherwise.

22. The Stipulation is made a part hereof and is incorporated herein by this reference.

Notices.

23. Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by the Order to be made upon, given or furnished to, delivered to, or filed with:

(i) The OTS, by the Association, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid or sent via overnight delivery service or physically delivered, in each case addressed to the Regional Director, Office of Thrift Supervision, Department of the Treasury, One South Wacker Drive, Suite 2000, Chicago, Illinois 60606 or telecopied to (312) 917-5001 and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered in each case to the above address.

(ii) The Association, by the OTS, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid or sent via overnight delivery service or physically delivered, in each case addressed to the Board of Directors, Dearborn Savings Bank, 595 West Eads Parkway, Lawrenceburg, Indiana 47025 or telecopied to (812) 537-3576 and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered in each case to the above address.

24. Notices hereunder shall be effective upon receipt, if by mail, overnight delivery service or telecopy, and upon delivery, if by physical delivery. If there is a dispute about the date on which a written notice has been received by a party to this Order, then, in the event such notice was sent by the United States mail, there shall be a presumption that the notice was received two Business Days after the date of the postmark on the envelope in which the notice was enclosed.

Effective Date; Duration.

25. This Order is and shall become effective on the date it is issued, i.e., the Effective Date as shown on the first page hereof. The Order (including the related Stipulation) shall remain in effect until terminated, modified, or suspended, in writing by the OTS, acting through its Director, Regional Director or other authorized representative.

OFFICE OF THRIFT SUPERVISION

By: 15/
Thomas A. Barnes
Regional Director
Central Region

**UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION**

_____)	
In the Matter of)	
)	
Dearborn Savings Bank)	Order No. CN 07-03
Lawrenceburg, Indiana)	
OTS No. 04354)	Date: October 9, 2007
_____)	

**STIPULATION AND CONSENT TO THE ISSUANCE OF AN
ORDER TO CEASE AND DESIST FOR AFFIRMATIVE RELIEF**

WHEREAS, the Office of Thrift Supervision (OTS), based upon information derived from the exercise of its regulatory responsibilities, is of the opinion that grounds exist to initiate an administrative cease and desist proceeding against Dearborn Savings Bank, Lawrenceburg, Indiana (Association), OTS Docket Number 04354, pursuant to 12 U.S.C. § 1818(b),¹ and

WHEREAS, the Association desires to cooperate with the OTS and to avoid the time and expense of such administrative proceeding, and

WHEREAS, the Association enters into this Stipulation and Consent to the Issuance of an Order to Cease and Desist for Affirmative Relief (Stipulation): (i) without any adjudication on the merits, (ii) without admitting or denying that such grounds exist to initiate an administrative cease and desist proceeding, (iii) without admitting or denying the Findings of Fact, except as to jurisdiction (Paragraph 1 below), which jurisdiction is admitted, and (iv) solely for purposes of settling this matter in accordance with Rule 408 of the Federal Rules of Evidence.

¹ All references to the United States Code (U.S.C.) are as amended, unless otherwise indicated.

NOW, THEREFORE, on these premises, the Association hereby stipulates and agrees to the following:

1. Jurisdiction.

a. The Association is a “savings association” within the meaning of 12 U.S.C. § 1813(b), and 12 U.S.C. § 1462(4). Accordingly, it is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).

b. Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal Banking agency” to maintain an administrative cease and desist proceeding against such a savings association. Therefore, the Association is subject to the jurisdiction of the OTS to initiate and maintain a cease and desist proceeding against it pursuant to 12 U.S.C. § 1818(b). The Director of the OTS has delegated to the Regional Director of the Central Region of the OTS or his/her designee (Regional Director) the authority to issue cease and desist orders where the institution has consented to the issuance of the orders.

2. OTS Findings of Fact. The OTS finds that:

The Association has engaged in unsafe and unsound practices and violations of laws and regulations as outlined in the June 25, 2007 Report of Examination of the Association.

3. Consent. The Association consents to the issuance by the OTS of the accompanying Order to Cease and Desist For Affirmative Relief (Order). It further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

4. **Finality.** The Order is issued under 12 U.S.C. § 1818(b). Upon its issuance by the Regional Director, it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. **Waivers.** The Association waives the following:

a. the right to be served with a written notice of the OTS's charges against it as provided by 12 U.S.C. § 1818(b);

b. the right to an administrative hearing of the OTS's charges against it as provided by 12 U.S.C. § 1818(b);

c. the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order;

d. any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412; and

e. the right to assert this proceeding, its consent to the issuance of the Order or the issuance of the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.

6. **Other Governmental Actions Not Affected.** The Association acknowledges and agrees that its consent to the issuance of the Order does not release, discharge, compromise, settle, dismiss,

resolve, or in any way affect any actions, charges against or any other proceeding that may be or has been brought by the OTS or another governmental entity.

7. **Reservation of Rights.** The Association acknowledges that OTS reserves the right to bring such additional action(s), charge(s), or proceeding(s) arising from or related in any way to the Findings of Fact or any other matter, as the OTS deems appropriate, in its sole discretion.

8. **Miscellaneous.**

a. The construction and validity of this Stipulation and the Order shall be governed by the laws of the United States of America:

b. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS' predecessors, successors, and assigns;

c. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the construction hereof;

d. If any provision of this Stipulation or the Order is ruled invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his/her sole discretion determined otherwise; and

e. This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director or other authorized representative.

