

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

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In the Matter of )	Order No.: CN 10-28
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)	
<b>MAPLE LEAF FINANCIAL, INC.</b> )	Effective Date: July 8, 2010
)	
Newbury, Ohio )	
OTS Docket No. H2899 )	
_____ )	

**AMENDED ORDER TO CEASE AND DESIST**

**WHEREAS**, Maple Leaf Financial, Inc., Newbury, Ohio, OTS Docket No. H2899 (Holding Company), by and through its Board of Directors (Board), has executed a Stipulation and Consent to Issuance of Amended Order to Cease and Desist (Stipulation); and

**WHEREAS**, the Holding Company, by executing the Stipulation, has consented and agreed to the issuance of this Amended Order to Cease and Desist (Amended Order) by the Office of Thrift Supervision (OTS) pursuant to 12 U.S.C. § 1818(b); and

**WHEREAS**, pursuant to delegated authority, the OTS Regional Director for the Central Region (Regional Director) is authorized to amend issued orders to cease and desist where a savings and loan holding company has consented to the amendment of an issued order.

**NOW, THEREFORE, IT IS ORDERED that:**

**Cease and Desist.**

1. The Holding Company and its directors, officers, employees, and agents shall cease and desist from all unsafe or unsound practices and/or violations of law or regulation addressed in the

OTS Report of Examination dated December 21, 2009 (ROE), that resulted in the Holding Company operating with an inadequate level of capital protection for the volume, type, and quality of assets held by the consolidated Holding Company and with inadequate earnings to augment capital and service its debt.

**Amendment of Existing Order.**

2. This Amended Order amends the order to cease and desist against the Holding Company by the OTS (OTS Order No. CN 09-10) on March 27, 2009 (2009 Order), which remains in full force and effect. The 2009 Order is hereby amended by the addition of the following:

**Capital Plan.**

14. (a) *By August 31, 2010, the Holding Company shall submit to the Regional Director for review and comment, a detailed written plan for enhancing the consolidated capital and earnings of the Holding Company (Capital Plan). The Capital Plan shall cover the period beginning with the quarter ending September 30, 2010 through the quarter ending December 31, 2012. At a minimum, the Capital Plan shall include:*

*(i) establishment of a minimum tangible capital ratio of tangible equity capital to total tangible assets commensurate with the Holding Company's consolidated risk profile;*

*(ii) operating strategies to achieve net income levels that will result in profitability and adequate debt service throughout the term of the Capital Plan;*

*(iii) quarterly cash flow projections for the Holding Company on a consolidated basis through calendar year-end December 31, 2012 that*

*identify both the sources of funds and the expected uses of funds;*

*(iv) detailed quarterly pro forma consolidated and unconsolidated Holding Company balance sheets and income statements for the period beginning with the quarter ending September 30, 2010 through the quarter ending December 31, 2012 that reflect maintenance throughout the period of the Board established minimum tangible equity capital ratio; and*

*(v) detailed descriptions of all relevant assumptions and projections and the supporting documentation for all relevant assumptions and projections.*

*(b) Within thirty (30) days after receiving written comments, if any, from the Regional Director, the Holding Company shall revise the Capital Plan to incorporate any recommended changes by the Regional Director, as approved by the Board, and adopt the Capital Plan as revised. Thereafter, the Holding Company shall implement the Capital Plan. Within ten (10) days of Board approval of the final Capital Plan, the Holding Company shall send a copy of the Capital Plan to the Regional Director.*

15. *(a) Once the Capital Plan is implemented, the Holding Company shall operate within the parameters of its Capital Plan. Any proposed material deviations from or changes to the Capital Plan shall be submitted for the prior, written non-objection of the Regional Director.<sup>1</sup> Requests for any material*

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<sup>1</sup> *A deviation shall be considered material under this Paragraph of the Amended Order when the Holding Company: (a) engages in any activity, line of business, or operation that is inconsistent with the Capital Plan; (b) exceeds the level of any activity or growth contemplated in the Capital Plan by more than ten percent (10%); or (c) falls below or fails to meet the target amounts established in the Capital Plan by more than ten percent (10%).*

*deviations or changes must be submitted at least forty-five (45) days before a proposed material deviation or change is implemented.*

*(b) The Holding Company shall notify the Regional Director regarding any material event affecting or that may affect the balance sheet, capital, or the cash flow of the Holding Company within five (5) business days after such event.*

*(c) By December 31, 2010, and each December 31st thereafter while this Amended Order is effective, the Capital Plan shall be updated and submitted to the Regional Director pursuant to Paragraph 14 incorporating the Holding Company's budget plan and profit projections for the next two (2) fiscal years taking into account any revisions to the Holding Company's investment and operating policies.*

16. *(a) On a quarterly basis, beginning with the quarter ending September 30, 2010, the Board shall review a written report that compares projected operating results contained within the Capital Plan to actual results (Capital Plan Variance Report). The Board's review of each Capital Plan Variance Report and assessment of the Holding Company's compliance with the Capital Plan shall be fully documented in the appropriate Board meeting minutes.*

*(b) Within forty-five (45) days after the close of each quarter beginning with the quarter ending September 30, 2010, the Holding Company shall provide the Regional Director with a copy of each Capital Plan Variance Report.*

3. Paragraph 2 of the 2009 Order (Debt Restrictions) is hereby deleted and replaced by the following:

2. *Effective immediately, the Holding Company shall not, directly or indirectly, incur, issue, renew, roll over, increase, redeem, or pay interest on debt or commit to do so without the prior written non-objection of the Regional Director. The Holding Company shall submit its written request for non-objection to the Regional Director at least forty-five (45) days prior to the anticipated date of the proposed debt transaction. The Holding Company's written requests for Regional Director non-objection to engage in such debt transactions, at a minimum, shall: (a) describe the purpose of the proposed debt or redemption of debt; (b) set forth and analyze the terms of the proposed debt and covenants; (c) analyze the Holding Company's current cash flow resources available to satisfy such debt repayment; and (d) set forth the anticipated source(s) of repayment of the proposed debt. For purposes of this Paragraph of the Amended Order, the term "debt" includes, but is not limited to loans, bonds, cumulative preferred stock, hybrid capital instruments such as subordinated debt or trust preferred securities, and guarantees of debt. For purposes of this Paragraph of the Amended Order, the term "debt" does not include liabilities incurred in the ordinary course of business to acquire goods and services and that are normally recorded as accounts payable or accruals under generally accepted accounting principles.*

**Effective Date, Incorporation of Stipulation.**

4. This Amended Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

**IT IS SO ORDERED.**

**OFFICE OF THRIFT SUPERVISION**

By: \_\_\_\_\_ /s/  
Daniel T. McKee  
Regional Director, Central Region

Date: See Effective Date on page 1

**UNITED STATES OF AMERICA**  
**Before the**  
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<b>MAPLE LEAF FINANCIAL, INC.</b> )	Effective Date: July 8, 2010
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**STIPULATION AND CONSENT TO ISSUANCE OF**

**AMENDED ORDER TO CEASE AND DESIST**

**WHEREAS**, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Central Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, issued an Order to Cease and Desist (OTS Order No. CN 09-10) against Maple Leaf Financial, Inc., Newbury, Ohio, OTS Docket No. H2899 (Holding Company) pursuant to 12 U.S.C. § 1818(b), that became effective on March 27, 2009; and

**WHEREAS**, the Regional Director, pursuant to delegated authority, is authorized to amend an order where a savings and loan holding company has consented to the amendment of an existing order to cease and desist; and

**WHEREAS**, the Holding Company desires to cooperate with the OTS to avoid the time and expense of such administrative cease and desist proceeding by entering into this Stipulation and Consent to the Issuance of Amended Order to Cease and Desist (Stipulation) and, without admitting or denying that such grounds exist, but only admitting the statements and conclusions

in Paragraphs 1 - 3 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

**Jurisdiction.**

1. The Holding Company is a “savings and loan holding company” within the meaning of 12 U.S.C. § 1813(w)(3) and 12 U.S.C. § 1467a. Accordingly, the Holding Company is a “depository institution holding company” as that term is defined in 12 U.S.C. § 1813(w)(1).
2. Pursuant to 12 U.S.C. § 1818(b)(9), the “appropriate Federal banking agency” may initiate cease and desist proceedings against a savings and loan holding company in the same manner and to the same extent as a savings association for regulatory violations and unsafe or unsound acts or practices.
3. Pursuant to 12 U.S.C. § 1813(q), the Director of OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings and loan holding company. Therefore, the Holding Company is subject to the authority of the OTS to initiate and maintain an administrative cease and desist proceeding against it pursuant to 12 U.S.C. § 1818(b).

**OTS Findings of Fact.**

4. Based on its December 21, 2009 examination of the Holding Company, the OTS finds that the Holding Company engaged in unsafe or unsound practices, including those that resulted in the Holding Company operating with an inadequate level of capital protection for the volume, type, and quality of assets held by the consolidated Holding Company and inadequate earnings to augment capital and service its debt.

**Consent.**

5. The Holding Company consents to the issuance by the OTS of the accompanying Amended Order to Cease and Desist (Amended Order). The Holding Company further agrees to

comply with the terms of the Amended Order upon the Effective Date of the Amended Order and stipulates that the Amended Order complies with all requirements of law.

**Finality.**

6. The Amended Order is issued by the OTS under 12 U.S.C. § 1818(b). Upon the Effective Date, the Amended Order shall be a final order, effective, and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

**Waivers.**

7. The Holding Company 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) and 12 C.F.R. Part 509;
- (b) the right to an administrative hearing of the OTS's charges as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (c) the right to seek judicial review of the Amended Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Amended Order; and
- (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 Amended Order, whether arising under common law, federal statutes, or otherwise.

**OTS Authority Not Affected.**

8. Nothing in this Stipulation or accompanying Amended Order shall inhibit, estop, bar, or otherwise prevent the OTS from taking any other action affecting the Holding Company if, at any time, the OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law.

**Other Governmental Actions Not Affected.**

9. The Holding Company acknowledges and agrees that its consent to the issuance of the Amended Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 8 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Holding Company that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

**Miscellaneous.**

10. The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Amended Order.

11. If any provision of this Stipulation and/or the Amended Order is ruled to be 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 or her sole discretion determines otherwise.

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

13. The section and paragraph headings in this Stipulation and the Amended Order are for convenience only and shall not affect the interpretation of this Stipulation or the Amended Order.

14. The terms of this Stipulation and of the Amended Order represent the final agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters.

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

**Signature of Directors/Board Resolution.**

16. Each Director signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of the Holding Company to the issuance of the Amended Order and the execution of the Stipulation. This Stipulation may be executed in counterparts by the directors after approval of the execution of the Stipulation at a duly called board meeting.

**WHEREFORE**, the Holding Company, by its directors, executes this Stipulation.

**MAPLE LEAF FINANCIAL, INC.**  
**Newbury, Ohio**

Accepted by:  
**OFFICE OF THRIFT SUPERVISION**

By: \_\_\_\_\_ /s/  
Howard Amster, Director

By: \_\_\_\_\_ /s/  
Daniel T. McKee  
Regional Director, Central Region

\_\_\_\_\_/s/  
Robert M. Bloom, Director

Date: See Effective Date on page 1

\_\_\_\_\_/s/  
Cosmo L. Bordonaro, Director

\_\_\_\_\_/s/  
William N. Costaras, Director

\_\_\_\_\_/s/  
Harold L. Inlow, Director

\_\_\_\_\_/s/  
Allen S. Lencioni, Sr., Director

\_\_\_\_\_/s/  
Dennis E. Prots, Director

\_\_\_\_\_/s/  
Worth A. Wollpert, Director