

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of)	Order No.: SE-10-052
)	
)	
BANK OF ATLANTA)	Effective Date: November 19, 2010
)	
Atlanta, Georgia)	
OTS Docket No. 18004)	
_____)	

ORDER TO CEASE AND DESIST

WHEREAS, Bank of Atlanta, Atlanta, Georgia, OTS Docket No. 18004 (Association), by and through its Board of Directors (Board), has executed a Stipulation and Consent to the Issuance of an Order to Cease and Desist (Stipulation); and

WHEREAS, the Association, by executing the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist (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 Southeast Region (Regional Director) is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED that:

Cease and Desist.

1. The Association, its institution-affiliated parties,¹ and its successors and assigns, shall cease and desist from any action (alone or with others) for or toward causing, bringing about, participating in, counseling, or the aiding and abetting the unsafe or unsound banking practices that resulted in:

- (a) operating with an inadequate level of capital protection for the volume, type, and quality of assets held by the Association;
- (b) operating with inadequate earnings to augment capital; and
- (c) operating with an excessive level of adversely classified loans and/or assets.

Capital.

2. By December 31, 2010, the Association shall have and maintain a Tier 1 (Core) Capital Ratio equal to or greater than eight percent (8%) and a Total Risk-Based Capital Ratio equal to or greater than twelve percent (12%).²

3. By November 30, 2010, the Association shall submit a written plan to achieve and maintain the Association's capital at the levels prescribed in Paragraph 2 (Capital Plan) that is acceptable to the Regional Director. At a minimum, the Capital Plan shall:

- (a) identify the specific sources of additional capital and the timeframes and methods by which additional capital will be raised, including specific target dates and corresponding capital levels;

¹ The term "institution-affiliated party" is defined at 12 U.S.C. § 1813(u).

² The requirement in Paragraph 2 to have and maintain a specific capital level means that the Association may not be deemed to be "well-capitalized" for purposes of 12 U.S.C. §1831o and 12 C.F.R. Part 565, pursuant to 12 C.F.R. §565.4(b)(1)(iv).

- (b) detail the Association's capital preservation and enhancement strategies with specific narrative goals;
- (c) address the requirements and restrictions imposed by this Order relating to capital under different forward-looking scenarios involving progressively stressed economic environments;
- (d) address all corrective actions set forth in the 2010 Limited Examination relating to capital;
- (e) include detailed quarterly financial projections, including Tier 1 (Core) and Total Risk-Based Capital Ratios;
- (f) address the Association's level of classified assets, allowance for loan and lease losses (ALLL), earnings, asset concentrations, liquidity needs, and trends in the foregoing areas; and
- (g) address current and projected trends in real estate market conditions.

4. Upon receipt of written notification from the Regional Director that the Capital Plan is acceptable, the Association shall implement and adhere to the Capital Plan. A copy of the Capital Plan and the Board meeting minutes reflecting the Board's adoption thereof shall be provided to the Regional Director within twenty (20) days after the Board meeting.

5. On a quarterly basis, beginning with the first quarter following receipt of notification from the Regional Director that the Capital Plan is acceptable, the Board shall review the Association's compliance with the Capital Plan. At a minimum, the Board's review shall include:

- (a) a comparison of actual operating results to projected results;

- (b) detailed explanations of any material deviations;³ and
- (c) a discussion of specific corrective actions or measures that have been or will be implemented to address each material deviation; and
- (d) a report to the Regional Director describing compliance with Capital Plan that addresses (a) through (c) within 45 days of each quarter end commencing with the first quarter end after notification from the Regional Director that the Capital Plan is acceptable

6. Within fifteen (15) days after: (a) the Association fails to meet the capital requirements prescribed in Paragraph 2; (b) the Association fails to comply with the Capital Plan prescribed in Paragraph 3; or (c) any written request from the Regional Director, the Association shall submit a written Contingency Plan that is acceptable to the Regional Director.

7. The Contingency Plan shall detail the actions to be taken, with specific time frames, to achieve one of the following results by the later of the date of receipt of all required regulatory approvals or sixty (60) days after the implementation of the Contingency Plan: (a) merger with, or acquisition by, another federally insured depository institution or holding company thereof; or (b) voluntary dissolution by filing an appropriate application with the OTS in conformity with applicable laws, regulations and regulatory guidance.

8. Upon receipt of written notification from the Regional Director, the Association shall implement and adhere to the Contingency Plan immediately. The Association shall provide the Regional Director with written status reports detailing the Association's progress in

³ A deviation shall be considered material under this Paragraph of the Order when the Association determines that it needs to adjust its identified sources of additional capital, timeframes, methods, or target dates by which it will raise capital.

implementing the Contingency Plan by no later than the first (1st) and fifteenth (15th) of each month following implementation of the Contingency Plan.

Growth.

9. Effective immediately, the Association shall not increase its total assets during any quarter in excess of an amount equal to net interest credited on deposit liabilities during the prior quarter without the prior written notice of non-objection of the Regional Director.

Business Plan.

10. By December 31, 2010, the Association shall submit a revised business plan for the calendar years 2011, 2012 and 2013 to the Regional Director that addresses all corrective actions in the 2010 ROE relating to the Association's business operations (Business Plan). The revised Business Plan shall:

- (a) detail the Association's plans to improve the Association's core earnings and achieve profitability on a consistent basis throughout the term of the Business Plan;
- (b) reflect compliance with the capital requirement described in paragraph 2 of this order;
- (c) include a Risk Reduction Plan designed to reduce the overall risk profile of the Association;
- (d) include a budget to achieve positive core income; and
- (e) include quarterly balance sheets, income statements, and core and risk-based capital ratios for the first year of the Business plan and budget, and shall include annual balance sheets, income statements and core and risk based capital ratios for the 2nd and 3rd year of the Business Plan.

11. Any material modifications⁴ to the Business Plan must receive the prior written non-objection of the Regional Director. The Association shall submit proposed material modifications to the Regional Director at least forty-five (45) days prior to implementation.

12. Within forty-five (45) days after the end of each quarter, beginning with the quarter ending March 30, 2011, the Board shall review quarterly variance reports on the Association's compliance with the Business Plan (Variance Reports). The Variance Reports shall:

- (a) identify variances in the Association's actual performance during the preceding quarter as compared to the projections set forth in the Business Plan;
- (b) contain an analysis and explanation of identified variances; and
- (c) discuss the specific measures taken or to be taken to address identified variances.

13. A copy of the Variance Reports and Board meeting minutes reflecting the board's review and approval of the Variance Reports shall be provided to the Regional Director within forty-five (45) days of each quarter end beginning with the quarter ending December 31, 2010..

Lending.

14. Effective immediately, the Association shall not originate or purchase, or commit to originate or purchase, any new residential construction loans, other construction loans, multifamily loans, nonresidential loans not guaranteed by the USDA or SBA, commercial nonmortgage loans not guaranteed by the USDA or SBA or not secured by time deposits, or land loans (collectively, High Risk Loans), without the prior written approval or non-objection of the Regional Director. This restriction includes any new High Risk Loans made to current or future

⁴ A modification shall be considered material under this Section of the Order if the Association plans to: (a) engage in any activity that is inconsistent with the Business Plan; or (b) exceed the level of any activity contemplated in the Business Plan or fail to meet target amounts established in the Business Plan by more than ten percent (10%), unless the activity involves the sale or disposition of an asset that reduces risk weighted assets or other activity involving assets risk-weighted fifty percent (50%) or less, in which case a variance of more than twenty-five percent (25%) shall be deemed to be a material modification.

borrowers and modifications of existing High Risk Loans that would result in an extension of additional funds. This restriction shall not apply to new High Risk Loans and modifications of existing High Risk Loans for which the Association has a legally binding commitment to extend additional funds as of the Effective Date of this Order.

15. The Association shall not modify, renew, or extend any existing High Risk Loan without prior OTS approval, unless all of the following conditions are met:

- a. The outstanding loan balance does not and, following modification, renewal, or extension, will not exceed One Million dollars (\$1.0 Million);
- b. Current financial information⁵ is: obtained for all borrowers and guarantors; documented in the borrower/guarantor's credit file; and reviewed and approved in compliance with the Association's policies at the time of such modification, renewal, or extension;
- c. There is a current appraisal⁶ of the collateral property;
- d. The loan is performing as agreed and has not been more than thirty (30) days delinquent within the past ninety (90) days;
- e. Established interest reserves will not be replenished and new interest reserves will not be established;
- f. The loan term, following modification, renewal, or extension, will not exceed twelve (12) months or the original term of the loan, whichever is less;
- g. The loan amount, following modification, renewal, or extension, does not exceed the lesser of the appraised value of the collateral or the amount available under the

⁵ Financial information will be considered current if it is not more than 90 days old or, in the case of tax returns or audited financial statements, is the most recent return or statement that is available.

⁶ An appraisal will be considered current if it is not more than six (6) months old.

Association's established loan underwriting policies and standards based upon the current appraised value of the collateral;

- h. Any renewal other than the first renewal after origination must be accompanied by a principal reduction payment equal to twenty (20) percent of the original balance of the loan, plus all accrued interest;
- i. The loan must meet all the underwriting criteria and standards established by the Association for that type loan; and
- j. All loans should be accounted for in accordance with generally accepted accounting principles and, if any impairment is indicated, it should be properly recorded.

Problem Assets.

16. By December 31, 2010, the Association shall submit a detailed, written plan with specific strategies, targets and timeframes to reduce⁷ the Association's level of problem assets⁸ (Problem Asset Reduction Plan) that is acceptable to the Regional Director. The Problem Asset Reduction Plan, at a minimum, shall include:

- (a) quarterly targets for the level of problem assets as a percentage of Tier 1 (Core) capital plus ALLL;
- (b) a description of the methods for reducing the Association's level of problem assets to the established targets; and
- (c) all relevant assumptions and projections.

17. Upon receipt of written notification from the Regional Director that the Problem Asset

⁷ For purposes of this Paragraph, "reduce" means to collect, sell, charge off, or improve the quality of an asset sufficient to warrant its removal from adverse criticism or classification.

⁸ The term "problem assets" shall include all classified assets, assets designated special mention, and nonperforming loans.

Reduction Plan is acceptable, the Association shall implement and adhere to the Problem Asset Reduction Plan. The Board's review and approval of the Problem Asset Reduction Plan shall be documented in the Board meeting minutes. A copy of the Problem Asset Reduction Plan shall be provided to the Regional Director within forty-five (45) days of December 31, 2010.

18. Within forty-five (45) days after the end of each quarter, the Association shall submit a quarterly written asset status report (Quarterly Asset Report) to the Board. The Quarterly Asset Report shall include, at a minimum:

- (a) a comparison of classified assets to Tier 1 (Core) capital plus ALLL and Total Risk-Based capital;
- (b) a comparison of classified assets at the current quarter end with the preceding quarter;
- (c) a breakdown of classified assets by type (residential, acquisition and development, construction, land loans, etc.);
- (d) an assessment of the Association's compliance with the Problem Asset Reduction Plan;
- (e) a discussion of the actions taken during the preceding quarter to reduce the Association's level of classified and criticized assets; and
- (f) any recommended revisions or updates to the Problem Asset Reduction Plan.

19. The Board's review of the Quarterly Asset Report shall be documented in the Board meeting minutes. A copy of the Quarterly Asset Report and the Board meeting minutes shall be provided to the Regional Director within forty-five (45) days of each quarter end, beginning with the quarter ending December 31, 2010.

Liquidity.

20. Effective immediately, the Association shall submit to the OTS a weekly written assessment of its current liquidity position (Liquidity Report).

Brokered Deposits.

21. Effective immediately, the Association shall comply with the requirements of 12 C.F.R. § 337.6(b).

22. By December 31, 2010, the Association shall submit a detailed brokered deposit reduction plan (Brokered Deposit Plan) to the Regional Director for review and non-objection.

At a minimum, the Brokered Deposit Plan shall include:

- (a) a detailed description of the current level and composition of the Association's brokered deposits, including the source of each deposit and its maturity date;
- (b) comprehensive cash flow and brokered deposit projections forecasting funding needs and sources for each calendar quarter covered by the Brokered Deposit Plan; and
- (c) detailed strategies to reduce the current level of brokered deposits, which shall include target dates and amounts and monthly reports to the Board regarding the Association's compliance with established target dates and amounts.

23. Upon receipt of written non-objection from the Regional Director, the Association shall implement and adhere to the Brokered Deposit Plan.

24. Any modifications to the Brokered Deposit Plan must receive the prior written non-objection of the Regional Director. The Association shall submit any proposed modifications to the Regional Director at least forty-five (45) days prior to implementation of any modifications.

25. Within forty-five (45) days after the close of each quarter, beginning with the quarter ending December 31, 2010, the Board shall review quarterly variance reports on the Association's compliance with the Brokered Deposit Plan (Brokered Variance Reports). A copy

of the Brokered Variance Reports shall be provided to the Regional Director within ten (10) days after the Board meeting.

Directorate and Management Changes.

26. Effective immediately, the Association shall comply with the prior notification requirements for changes in directors and Senior Executive Officers⁹ set forth in 12 C.F.R. Part 563, Subpart H.

Severance and Indemnification Payments.

27. Effective immediately, the Association shall not make any golden parachute payment¹⁰ or prohibited indemnification payment¹¹ unless, with respect to each such payment, the Association has complied with the requirements of 12 C.F.R. Part 359 and, as to indemnification payments, 12 C.F.R. § 545.121.

Employment Contracts and Compensation Arrangements.

28. Effective immediately, the Association shall not enter into, renew, extend or revise any contractual arrangement relating to compensation or benefits for any Senior Executive Officer¹² or director of the Association, unless it first provides the Regional Director with not less than thirty (30) days prior written notice of the proposed transaction. The notice to the Regional Director shall include a copy of the proposed employment contract or compensation arrangement or a detailed, written description of the compensation arrangement to be offered to such officer or director, including all benefits and perquisites. The Board shall ensure that any contract, agreement or arrangement submitted to the Regional Director fully complies with the

⁹ The term “Senior Executive Officer” is defined at 12 C.F.R. § 563.555.

¹⁰ The term “golden parachute payment” is defined at 12 C.F.R. § 359.1(f).

¹¹ The term “prohibited indemnification payment” is defined at 12 C.F.R. § 359.1(l).

¹² The term “Senior Executive Officer” is defined at 12 C.F.R. § 563.555.

requirements of 12 C.F.R. Part 359, 12 C.F.R. §§ 563.39 and 563.161(b), and 12 C.F.R. Part 570
– Appendix A.

Dividends and Other Capital Distributions.

29. Effective immediately, the Association shall not declare or pay dividends or make any other capital distributions, as that term is defined in 12 C.F.R. § 563.141, without receiving the prior written approval of the Regional Director in accordance with applicable regulations and regulatory guidance. The Association’s written request for approval shall be submitted to the Regional Director at least thirty (30) days prior to the anticipated date of the proposed declaration, dividend payment or distribution of capital.

Third Party Contracts.

30. Effective immediately, the Association shall not enter into any arrangement or contract with a third party service provider that is significant to the overall operation or financial condition of the Association¹³ or outside the Association’s normal course of business unless, with respect to each such contract, the Association has: (a) provided the Regional Director with a minimum of thirty (30) days prior written notice of such arrangement or contract and a written determination that the arrangement or contract complies with the standards and guidelines set forth in Thrift Bulletin 82a; and (b) received written notice of non-objection from the Regional Director.

¹³ A contract will be considered significant to the overall operation or financial condition of the Association where the annual contract amount equals or exceeds two percent (2%) of the Association’s total capital, where there is a foreign service provider, or where it involves information technology that is critical to the Association’s daily operations without regard to the contract amount.

Debt Limitations.

31. Effective immediately, the Association shall not: (a) incur, issue, renew, or rollover any debt,¹⁴ increase any current lines of credit, or otherwise incur any additional debt without receiving the prior written non-objection of the Regional Director; or (b) authorize or permit any subsidiary of the Association to incur, issue, renew, or rollover any debt, increase any current lines of credit, or otherwise incur any additional debt without receiving the prior written non-objection of the Regional Director.. All written requests to the Regional Director shall include, at a minimum: a statement regarding the purpose of the debt; a copy of the debt agreement; the planned source(s) for debt repayment; and an analysis of the cash flow resources available to meet such debt repayment. The Association's written request for non-objection shall be submitted to the Regional Director at least forty-five (45) days prior to the anticipated date of the proposed debt issuance, renewal, or rollover; the proposed increase in any current lines of credit; the proposed guarantee of the debt of any entity; or any other incurrence of additional debt.

Transactions with Affiliates.

32. Effective immediately, the Association shall not engage in any new transaction with an affiliate unless, with respect to each such transaction, the Association has complied with the notice requirements set forth in 12 C.F.R. § 563.41(c)(4), which shall include the information set forth in 12 C.F.R. § 563.41(c)(3). The Board shall ensure that any transaction with an affiliate for which notice is submitted pursuant to this Paragraph, complies with the requirements of 12 C.F.R. § 563.41 and Regulation W, 12 C.F.R. Part 223.

¹⁴ For purposes of this Paragraph of the 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; and does not include: liabilities that are incurred in the ordinary course of business to acquire goods and services and that are normally recorded as accounts payable under generally accepted accounting principles. The term "debt" does not include deposits.

Board Oversight of Compliance with Order.

33. By November 30, 2010, the Board shall designate a committee to monitor and coordinate the Association's compliance with the provisions of this Order and the completion of all corrective actions required in the 2010 Limited Examination (Oversight Committee). The Oversight Committee shall be comprised of four (4) or more directors, the majority of whom shall be independent¹⁵ directors.

34. Within thirty (30) days after the end of each quarter, beginning with the quarter ending December 31, 2010, the Oversight Committee shall submit a written compliance progress report to the Board (Compliance Tracking Report). The Compliance Tracking Report shall, at a minimum:

- (a) separately list each corrective action required by this and the 2010 Limited Examination;
- (b) identify the required or anticipated completion date for each corrective action; and
- (c) discuss the current status of each corrective action, including the action(s) taken or to be taken to comply with each corrective action.

¹⁵ For purposes of this Order, an individual who is "independent" with respect to the Association shall be any individual who:

- (a) is not employed in any capacity by the Association, its subsidiaries, or its affiliates, other than as a director;
- (b) does not own or control more than ten percent (10%) of the outstanding shares of the Association or any of its affiliates;
- (c) is not related by blood or marriage to any officer or director of the Association or any of its affiliates, or to any shareholder owning more than ten percent (10%) of the outstanding shares of the Association or any of its affiliates, and who does not otherwise share a common financial interest with any such officer, director or shareholder;
- (d) is not indebted, directly or indirectly, to the Association or any of its affiliates, including the indebtedness of any entity in which the individual has a substantial financial interest, in an amount exceeding 10 percent (10%) of the Association's total Tier 1 (Core) capital; and
- (e) has not served as a consultant, advisor, underwriter, or legal counsel to the Association or any of its affiliates.

35. Within forty-five (45) days after the end of each quarter, beginning with the quarter ending December 31, 2010, the Board shall review the Compliance Tracking Report and all reports required to be prepared by this Order. Following its review, the Board shall adopt a resolution: (a) certifying that each director has reviewed the Compliance Tracking Report and all required reports; and (b) documenting any corrective actions adopted by the Board. A copy of the Compliance Tracking Report and the Board resolution shall be provided to the Regional Director within 45 days of each quarter end beginning with the quarter ending December 31, 2010.

36. Nothing contained herein shall diminish the responsibility of the entire Board to ensure the Association's compliance with the provisions of this Order. The Board shall review and adopt all policies and procedures required by this Order prior to submission to the OTS. The Board shall adopt procedures to ensure compliance with all policies and procedures, shall review reports describing compliance with policies and procedures at least quarterly, and shall take immediate steps to correct any non-compliance with policies.

Effective Date, Incorporation of Stipulation.

37. This 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.

Duration.

38. This Order shall remain in effect until terminated, modified, or suspended by written notice of such action by the OTS, acting by and through its authorized representatives.

Time Calculations.

39. Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be based on calendar days, unless otherwise noted.

40. The Regional Director, or an OTS authorized representative, may extend any of the deadlines set forth in the provisions of this Order upon written request by the Association that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

Submissions and Notices.

41. All submissions, including any reports, to the OTS that are required by or contemplated by this Order shall be submitted within the specified timeframes.

42. Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Order shall be in writing and sent by first class U.S. mail (or by reputable overnight carrier, electronic facsimile transmission or hand delivery by messenger) addressed as follows:

- (a) To the OTS:
Regional Director
Office of Thrift Supervision
1475 Peachtree St., NE
Atlanta, Georgia 30309

- (b) To the Association:
c/o John W. Jackson, Chairman
Bank of Atlanta
1349 West Peachtree Street
Suite 950
Atlanta, Georgia 30309

No Violations Authorized.

43. Nothing in this Order or the Stipulation shall be construed as allowing the

Association, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: _____/s/_____

James G. Price
Regional Director, Southeast Region

Date: See Effective Date on page 1

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of)	Order No.: SE-10-052
)	
)	
BANK OF ATLANTA)	Effective Date: November 19, 2010
)	
Atlanta, Georgia)	
OTS Docket No. 18004)	
_____)	

STIPULATION AND CONSENT TO ISSUANCE OF ORDER TO CEASE AND DESIST

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Southeast Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed Bank of Atlanta, Atlanta, Georgia, OTS Docket No. 18004 (Association), that the OTS is of the opinion that grounds exist to initiate an administrative proceeding against the Association pursuant to 12 U.S.C. § 1818(b);

WHEREAS, the Regional Director, pursuant to delegated authority, is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order; and

WHEREAS, the Association 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 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 and 2 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

Jurisdiction.

1. The Association is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, the Association is “an insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).
2. Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings association. Therefore, the Association 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.

3. Based on its June 28, 2010 examination of the Association (2010 Limited Examination), the OTS finds that the Association has engaged in unsafe or unsound banking practices including:
 - (a) operating with an inadequate level of capital protection for the volume, type, and quality of assets held by the Association;
 - (b) operating with inadequate earnings to augment capital; and
 - (c) operating with an excessive level of adversely classified loans and/or assets.

Consent.

4. The Association consents to the issuance by the OTS of the accompanying Order to Cease and Desist (Order). The Association further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements

of law.

Finality.

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

Waivers.

6. 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) 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 Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the 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 Order, whether arising under common law, federal statutes, or otherwise.

OTS Authority Not Affected.

7. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar, or otherwise prevent the OTS from taking any other action affecting the Association 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.

8. The Association acknowledges and agrees that its consent to the issuance of the 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 Association 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.

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

10. If any provision of this Stipulation and/or the 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.

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

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

13. The terms of this Stipulation and of the 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.

14. The Stipulation and 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.

15. Each Director signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of the Association to the issuance of the Order and the execution of the Stipulation.

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WHEREFORE, the Association, by its directors, executes this Stipulation.

Accepted by:

BANK OF ATLANTA
Atlanta, Georgia

OFFICE OF THRIFT SUPERVISION

By: _____/s/
John W. Jackson, Chairman

By: _____/s/
James G. Price
Regional Director, Southeast Region

Date: See Effective Date on page 1

Directors Signatures

_____/s/
James Ballard, Director

_____/s/
Mark Merlo, Director

_____/s/
Michael Elting, Director

_____/s/
Douglas F. Reid, Director

_____/s/
Jeffery Frysh, Director

_____/s/
Steven M. Rull, Director

_____/s/
Winston H. Gandy, Jr., Director

_____/s/
King Solomon Smallwood, III, Director

_____/s/
Kelly H. Gay, Director

_____/s/
Sheila Ray, Director

_____/s/
Thomas H. McAuley, Director

_____/s/
Arnold Johnson, Director

_____/s/
Reuben R. McDaniel, III, Director