

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

_____	)	
In the Matter of	)	AMENDED ORDER
	)	TO
WOODLANDS COMMERCIAL BANK	)	CEASE AND DESIST
(f/k/a LEMAN BROTHERS COMMERCIAL BANK)	)	
SALT LAKE CITY, UTAH	)	FDIC-08-242b
	)	
(INSURED STATE NONMEMBER BANK)	)	
_____	)	

The Federal Deposit Insurance Corporation (“FDIC) is the appropriate Federal banking agency for WOODLANDS COMMERCIAL BANK (f/k/a LEHMAN BROTHERS COMMERCIAL BANK), SALT LAKE CITY, UTAH (“Insured Institution”), under section 3(q) of the Federal Deposit Insurance Act (“Act”), 12 U.S.C. § 1813(q).

The Insured Institution, by and through its duly elected and acting Board of Directors (“Board”), has executed a STIPULATION AND CONSENT TO THE ISSUANCE OF THE AMENDED ORDER TO CEASE AND DESIST (“CONSENT AGREEMENT”) dated November 30, 2010, that is accepted by the FDIC. With the CONSENT AGREEMENT, the Insured Institution has consented, without admitting or denying any charges of unsafe or unsound banking practices, to the issuance of this AMENDED ORDER TO CEASE AND DESIST (“AMENDED ORDER”) by the FDIC which amends and restates the ORDER TO CEASE AND DESIST issued by the FDIC on September 14, 2008 (“ORDER”).

Having determined that the requirements for issuance of an order under section 8(b) of

the Act, 12 U.S.C. § 1818(b), have been satisfied, the FDIC hereby amends and restates the ORDER as set forth below:

AMENDED ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED that the Insured Institution, its directors, officers, employees, agents and other institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and its successors and assigns shall take affirmative action as follows:

REQUIRED PRIOR WRITTEN CONSENT

1. From the effective date of this AMENDED ORDER, the Insured Institution shall not, without the prior written consent of the Regional Director of the FDIC's New York Regional Office and the Commissioner of the Utah Department of Financial Institutions ("Commissioner"):

A. Directly or indirectly enter into, participate in, or otherwise engage in or allow any extension of credit to the Parent Company or to any other "affiliate" of the Insured Institution and/or directly or indirectly enter into, participate in, or otherwise engage in or allow any "covered transaction" or "transaction covered" with the Parent Company or with any "affiliate" of the Insured Institution regardless of whether such "extension of credit", "covered transaction" or "transaction covered" would be prohibited, limited or otherwise regulated by Sections 23A or 23B of the Federal Reserve Act ("Sections 23A and 23B"), 12 U.S.C. §§ 371c and 371c-1.

For purposes of this ORDER, "extension of credit" shall be defined as set forth at 12 C.F.R. § 215.3 and "affiliate," "covered transaction" and "transaction covered" shall have the meanings set forth in Sections 23A and 23B; provided, however, that the terms "covered transactions" and "transactions covered" shall not include the continued provision of and

payments for operational services provided by affiliates under pre-existing contracts in the normal course of business, including the provision of technology platforms and dual employees.

B. Declare or pay dividends or any other form of payment representing a reduction in capital.

C. Solicit, accept, renew or roll over any “brokered deposit” as defined in Section 337.6 of the FDIC’s Rules and Regulations, 12 C.F.R. § 337.6, or any deposit on which the Insured Institution would pay an interest rate in excess of a Rate Cap (as defined by the FDIC on its website, <http://www.fdic.gov/regulations/resources/rates/index.html>).

All requests for prior written approval required under this paragraph shall be submitted to the Regional Director and the Commissioner in accordance with paragraph 4 of this AMENDED ORDER, and shall, at a minimum, contain an analysis of the impact such proposed extension, transaction, dividend or other payment or deposit would have on the Insured Institution’s capital position, cash flow, concentrations of credit, asset quality and allowance for loan and lease loss needs.

#### STRATEGIC PLAN

2. Within thirty (30) days from the effective date of this AMENDED ORDER, the Insured Institution shall formulate a comprehensive written business/strategic plan consistent with sound banking practices to wind-down the operations of the Insured Institution by, among other things, paying off, transferring and/or disposing of all of its liabilities, including, but not limited to any contingent liabilities, in an orderly manner on or before the eighteenth (18<sup>th</sup>) month after the effective date of the Capital Maintenance Agreement entered into between the FDIC, the Utah Department of Financial Institutions (“Utah DFI”), the Insured Institution and its parents, Lehman Brothers Bancorp and Lehman Brothers Holdings Inc., pursuant to the

Settlement Agreement authorized and approved by the United States Bankruptcy Court for the Southern District of New York and to initiate proceedings to terminate its Federal deposit insurance and surrender its banking charter to the Utah DFI (“Strategic Plan”). The Strategic Plan shall cover an operating period extending until such time as the Insured Institution terminates its Federal deposit insurance and surrenders its charter to the Utah DFI and shall contain an assessment of its current financial condition along with a description of the operating assumptions forming the basis of its plan to wind-down operations within the required timeframes.

A. The Strategic Plan shall, at a minimum:

- (1) identify and describe all assets held by the Insured Institution;
- (2) include the Insured Institution’s plan to convert assets that are not currently cash or cash-equivalents into cash or cash-equivalent assets in such amounts as may be necessary from time to time in order to ensure that the Insured Institution will have sufficient cash resources to pay or dispose of all deposit liabilities on or before the eighteen (18<sup>th</sup>) month after the effective date of the Capital Maintenance Agreement referenced above;
- (3) identify and describe all liabilities, including, but not limited to, contingent liabilities, of the Insured Institution;
- (4) include the Insured Institution’s plan to pay off, transfer and/or dispose of all liabilities, including, but not limited to, contingent liabilities, with a timeframe for completing each such resolution;
- (5) include the Insured Institution’s plan for sustaining adequate liquidity, including back-up lines of credit to meet any unanticipated deposit withdrawals, the Insured Institution’s reduction of its “brokered deposits” and the disposition of all other

liabilities; and

(6) include the Insured Institution's plan for preparing and submitting the necessary documentation to the FDIC to terminate its Federal deposit insurance and its plan for preparing and submitting the necessary documentation to the Utah DFI to surrender its charter with both submissions taking place within the required timeframes.

B. The Insured Institution shall submit the Strategic Plan to the Regional Director and the Commissioner in accordance with paragraph 4 of this AMENDED ORDER.

C. The Insured Institution shall evaluate its performance in relation to the Strategic Plan on a monthly basis and report the results of the evaluation and the Insured Institution's adherence to the timeframes contained in the Strategic Plan to the Regional Director and the Commissioner within twenty (20) days of each month end.

D. In the event the Insured Institution determines that the Strategic Plan should be revised in any manner, the Strategic Plan shall be revised and submitted to the Regional Director and the Commissioner in accordance with paragraph 4 of this AMENDED ORDER.

#### CAPITAL PLAN

3. Within thirty (30) days from the effective date of this AMENDED ORDER, the Insured Institution shall, after assessing the capital requirements for implementing the Strategic Plan and any other provisions of this AMENDED ORDER and in a manner consistent with sound banking practices, review and revise its written capital plan ("Capital Plan"). The Capital Plan shall, at a minimum, include:

A. projections for capital requirements which shall be based upon a detailed analysis of the Insured Institution's current and projected assets, liabilities, earnings, fixed assets, and off-balance sheet activities during the Strategic Plan Period;

B. projections for the amount and timing of the capital necessary to meet the Insured Institution's current and future needs;

C. the primary source(s) from which the Insured Institution will meet its capital needs; and

D. contingency plans that identify alternative sources of capital should the primary source(s) under (C) above not be available.

The Insured Institution shall review the Capital Plan and assess its capital needs as described above within the first 30 days of each calendar year thereafter or more frequently if necessary. The Insured Institution shall submit the Capital Plan required by this provision and any revisions or modifications to the Capital Plan to the Regional Director and the Commissioner in accordance with paragraph 4 of this AMENDED ORDER.

#### APPROVAL AND IMPLEMENTATION

4. When a provision of this AMENDED ORDER requires the Insured Institution to submit requests for consent, proposed plans, proposed revisions or additions to a plan or any other matter to the Regional Director and the Commissioner for review, comment and non-objection or approval, the Board shall make such submission to the Regional Director at 350 Fifth Avenue, Suite 1200, New York, New York 10118 and to the Commissioner at 324 S. State Street, Suite 201, Salt Lake City, UT 84111. The Regional Director and the Commissioner shall provide comments to the Board within thirty (30) days of receipt of the proposal submitted for review and comment. Within fifteen (15) days of receipt of comments from the Regional

Director and the Commissioner, the Insured Institution shall make such modifications as may be necessary to respond to such comments and shall adopt the enhancement, revision or addition. These actions shall be appropriately reflected in the minutes of the meeting of the Board wherein the action was taken.

#### SHAREHOLDER NOTIFICATION

5. Following the effective date of this AMENDED ORDER, the Insured Institution shall send a copy of this AMENDED ORDER to its parent companies, Lehman Brothers Bancorp and Lehman Brothers Holdings Inc., or otherwise furnish a description of all material aspects of the AMENDED ORDER in conjunction with the Insured Institution's next communication with its parent companies.

#### OTHER ACTIONS

6. It is expressly and clearly understood that (i) if, at any time, the Regional Director and/or the Commissioner shall deem it appropriate in fulfilling their responsibilities under applicable law to undertake any further action affecting the Insured Institution, nothing in this AMENDED ORDER shall in any way inhibit, estop, bar or otherwise prevent them from doing so, including, but not limited to, the imposition of civil money penalties; (ii) nothing herein shall preclude any proceedings brought by the Regional Director to enforce the terms of this AMENDED ORDER; and (iii) nothing herein constitutes, nor shall the Insured Institution contend that it constitutes, a waiver of any right, power, or authority of any other representatives of the United States, departments or agencies thereof, Department of Justice or any other representatives of the State of Utah or any other departments or agencies thereof, including any prosecutorial agency, to bring other actions deemed appropriate.

The effective date of this AMENDED ORDER shall be the date of issuance.

The provisions of this AMENDED ORDER shall be binding upon the Insured Institution, its directors, officers, employees, agents, successors, assigns, and all other institution-affiliated parties of the Insured Institution and shall remain effective and enforceable except to the extent that and until such time as, any of their provisions have been modified, terminated, suspended or set aside in writing.

Pursuant to delegated authority.

Dated: November 30, 2010

/s/ \_\_\_\_\_  
Daniel E. Frye  
Acting Regional Director  
New York Region  
Federal Deposit Insurance Corporation