

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of	)	
	)	
	)	MODIFICATION OF
HIGH TRUST BANK	)	A CONSENT ORDER
STOCKBRIDGE, GEORGIA	)	
	)	
	)	FDIC-09-486b
(INSURED STATE NONMEMBER BANK)	)	
_____	)	

On November 20, 2009, the Federal Deposit Insurance Corporation (“FDIC”) and the Georgia Department of Banking and Finance (“Department”) issued a CONSENT ORDER (“ORDER”) to High Trust Bank, Stockbridge, Georgia (“Bank”) that became effective on the date of issuance, and remains in full force and effect, except as subsequently modified. The Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a "Stipulation and Consent to Modification of a Consent Order" (“STIPULATION”) dated November 29, 2010, that is accepted by the FDIC and the Department, hereinafter referred to as “Supervisory Authorities.”

With this STIPULATION, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices and/or violations of laws, to the issuance of this Modification of a Consent Order (“MODIFICATION”) by the FDIC and the Department. The Department may issue an order pursuant to section 7-1-91 of the Official Code of Georgia Annotated, GA Code Ann. Section 7-1-91 (1985).

Having determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) and section 7-1-91 of the Official Code of Georgia Annotated, GA Code Ann.

Section 7-1-91 (1985) have been satisfied, the FDIC and the Department accepted the STIPULATION and hereby modifies the ORDER as follows:

**New paragraph 3(d) is inserted as follow:**

(d) Within 60 days of from the effective date of this ORDER, the Bank shall submit to the Supervisory Authorities a written capital plan. Such capital plan shall detail the steps that the Bank shall take to achieve and maintain the capital requirements set forth in paragraph 3(a). In developing the capital plan, the Bank must take into consideration:

- (i) The volume of the Bank's adversely classified assets;
- (ii) The nature and level of the Bank's asset concentrations;
- (iii) The adequacy of the Bank's ALLL;
- (iv) The anticipated level of retained earnings;
- (v) Anticipated and contingent liquidity needs; and
- (vi) The source and timing of additional funds to fulfill future capital needs.

In addition, the capital plan must include a contingency plan in the event that the Bank has:

- (i) failed to maintain the minimum capital ratios required by paragraph 3(a);
- (ii) failed to submit an acceptable capital plan as required by this subparagraph; or
- (iii) failed to implement or adhere to a capital plan to which the Regional Director has made no written objection pursuant to this paragraph. Said contingency plan shall include a plan to sell or

merge the Bank. The Bank shall implement the contingency plan upon written notice from the Regional Director.

**Paragraph 4 is hereby stricken and in its stead is inserted the following:**

**RESTRICTION ON CERTAIN PAYMENTS**

4. (a) While this ORDER is in effect, the Bank shall not declare or pay dividends or bonuses without the prior written approval of the Supervisory Authorities. All requests for prior approval shall be received at least 30 days prior to the proposed dividend declaration date (at least 5 days with respect to any request filed within the first 30 days after the date of this ORDER) and shall contain, but not be limited to, an analysis of the impact such dividend or bonus payment would have on the Bank's capital, income, and/or liquidity positions.

(b) During the term of this ORDER, the Bank shall not make any distributions of interest, principal or other sums on subordinated debentures, if any, without the prior written approval of the Supervisory Authorities.

**Paragraph 8(c) is hereby stricken and in its stead is inserted the following:**

(c) The plan mandated by this provision shall further require a reduction in the aggregate balance of assets classified "Substandard" or "Doubtful" in the Report of Examination dated February 8, 2010 ("2010 Report") in accordance with the following schedule. For purposes of this paragraph, "number of days" means number of days from the effective date of this MODIFICATION.

- (i) Within 180 days, a reduction of twenty percent (20%) in the balance of assets classified "Substandard" or "Doubtful";
- (ii) Within 365 days, a reduction of forty-five percent (45%) in the balance of assets classified "Substandard" or "Doubtful";

- (iii) Within 540 days, a reduction of seventy percent (70%) in the balance of assets classified “Substandard” or “Doubtful”; and
- (iv) Within 720 days, a reduction of eighty-five percent (85%) in the balance of assets classified “Substandard” or “Doubtful.”

**Paragraph 19 is hereby stricken and in its stead is inserted the following :**

**INFORMATION SECURITY PROGRAMS**

19. To correct deficiencies in the administration and security of Information Technology ("IT") set forth in the 2010 Report, the Board and Management shall take the following steps:

(a) Within 30 days of the issuance of this MODIFICATION, the Board shall develop an IT Steering Committee, as established by the committee's charter, consisting of senior management, IT managers, and, at least, one director. The IT Steering Committee shall hold meetings no less frequently than quarterly. Minutes of the IT Steering Committee's meetings shall be recorded and held for review by the Board.

(b) Within 30 days of the issuance of this MODIFICATION, the Board shall formally appoint an Information Security Officer responsible for overseeing the development, implementation, and maintenance of all Information Security Programs. Said officer shall serve as a member of the IT Steering Committee.

(c) Within 90 days of the issuance of this MODIFICATION, the Board and Management shall develop and implement a comprehensive written customer information security program which meets the requirements set forth in Appendix B of Part 364 of the FDIC Rules and Regulations (12 C.F.R. Part 364, Appendix B).

(d) Within 90 days of the issuance of this MODIFICATION, the Board shall develop a formal IT audit program which must include a formal system for tracking audit

exceptions noted from previous external audits and regulatory examinations. Within 30 days of the development of the formal IT audit program, Management must perform a comprehensive penetration test on the bank-owned network and a vulnerability test on all bank-owned external-facing IP addresses and report the findings to the IT Steering Committee.

(e) Within 120 days of the issuance of this MODIFICATION, Management shall update the bank-wide business continuity plan to reflect the Bank's current operation system, hardware configuration, vendor contact information, and provide appropriate training to employees.

**Paragraph 20 is hereby stricken and in its stead is inserted the following:**

**BROKERED DEPOSITS**

20. (a) During the life of this MODIFICATION, the Bank shall not accept, renew, or rollover brokered deposits without obtaining a brokered deposit waiver approved by the FDIC pursuant to section 29 of the Act, 12 U.S.C. § 1831f. For purposes of this MODIFICATION, brokered deposits are defined as described in section 337.6(a)(2) of the FDIC's Rules and Regulations, 12 C.F.R. § 337.6(a)(2) to include any deposits funded by third party agents or nominees for depositors, including depositors managed by a trustee or custodian when each individual beneficial interest is entitled to a right to federal deposit insurance.

(b) The Bank shall comply with the restrictions on the effective yields on deposits described in 12 C.F.R. § 337.6.

**Paragraph 21 is hereby stricken and in its stead is inserted the following:**

**DISCLOSURE**

21. Following the issuance of this MODIFICATION, the Bank shall provide to its shareholders or otherwise furnish a description of this MODIFICATION in conjunction with the Bank's next shareholder communication or in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe the MODIFICATION in all material respects. The description and any accompanying communication, statement, or notice shall be sent to the FDIC, Division of Supervision and Consumer Protection, Accounting and Securities Disclosure Section, 550 17<sup>th</sup> Street, N.W., Room F-6066, Washington, D.C. 20429 and to the Commissioner, Georgia Department of Banking and Finance, 2990 Brandywine Road, Suite 200, Atlanta, Georgia 30341-5565, to review at least twenty (20) days prior to dissemination to shareholders. The Bank shall make any changes required by the Supervisory Authorities prior to dissemination of the description, communication, notice, or statement.

**New paragraph 22 is hereby inserted as follows:**

**PROGRESS REPORTS**

22. Within 30 days from the end of the first quarter following the effective date of this MODIFICATION, and within 30 days of the end of each quarter thereafter, the Bank shall furnish written progress reports to the Supervisory Authorities detailing the form and manner of any actions taken to secure compliance with this MODIFICATION and the results thereof. Such reports shall include a copy of the Bank's Reports of Condition and of Income. Such reports may be discontinued when the corrections required by this MODIFICATION have been accomplished and the Supervisory Authorities have

released the Bank in writing from making further reports. All progress reports and other written responses to this MODIFICATION shall be reviewed by the Board and made a part of the minutes of the appropriate Board meeting.

The provisions of this MODIFICATION shall not bar, estop, or otherwise prevent the FDIC, the Department or any other federal or state agency or department from taking any other action against the Bank or any of the Bank's current or former institution-affiliated parties.

This MODIFICATION shall be effective on the date of issuance.

The provisions of this MODIFICATION shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this MODIFICATION shall remain effective and enforceable except to the extent that and until such time as any provision has been modified, terminated, suspended, or set aside in writing.

Issued Pursuant to Delegated Authority

Dated this 3rd day of December, 2010.

/s/

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Thomas J. Dujenski  
Regional Director  
Atlanta Region  
Federal Deposit Insurance Corporation

The Georgia Department of Banking and Finance (“Department”), having duly approved the foregoing MODIFICATION, and the Bank, through its Board, agree that the issuance of said MODIFICATION by the FDIC shall be binding as between the Bank and the Georgia Commissioner of Banking and Finance to the same degree and to the same legal effect that such MODIFICATION would be binding if the Department had issued a separate MODIFICATION that included and incorporated all of the provisions of the foregoing MODIFICATION, pursuant to Official Code of Georgia Annotated § 7-1-91, Ga. Code. Ann. § 7-1-91 (1985).

Dated this 29<sup>th</sup> day of November, 2010.

/s/

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Robert M. Braswell  
Commissioner  
Department of Banking and Finance  
State of Georgia