



Federal Deposit Insurance Corporation
 Division of Depositor and Consumer Protection
 Division of Risk Management Supervision
 300 South Riverside Plaza, Suite 1700, Chicago, IL 60606

Chicago Regional Office

Phone (312) 382-7500
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February 15, 2013

Board of Directors

Redacted

Members of the Board:

The FDIC continually assesses the risk and appropriateness of the business lines and activities of our supervised institutions. We have recently become aware of [Redacted] Bank's involvement in activities related to payday lending, specifically, the processing of transactions on behalf of [Redacted]. As a result, the FDIC and State of Ohio conducted a joint Compliance and Risk Management visitation of your bank as of December 17, 2012.

The focus of our visitation was on the risk associated with this relationship, compliance with consumer protection laws and regulations, and the effectiveness of Board and senior management due diligence and oversight of this relationship and the corresponding payday lending-related activities. It is our view that payday loans are costly, and offer limited utility for consumers, as compared to traditional loan products. Furthermore, the [Redacted] relationship carries a high degree of risk to the institution, including third-party, reputational, compliance, and legal risk, which may expose the bank to individual and class actions by borrowers and local regulatory authorities. Consequently, we have generally found that activities related to payday lending are unacceptable for an insured depository institution.

On February 5, 2013, Field Supervisor Jim Meyer and Supervisory Examiners John George and Sean Blair of the FDIC, along with Deputy Superintendent Kevin Allard, District Supervisor Brian Morgan and Chief Examiner Sheila Schroer of the Ohio Department of Financial Institutions, held a conference call with President [Redacted] and Chief Financial Officer [Redacted] to discuss the FDIC's concerns relative to the [Redacted] relationship. Members of our Region's Senior Management will contact you in the near term to schedule a meeting to further discuss our concerns relative to the aforementioned relationship.

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If you have any questions regarding this correspondence, please contact Assistant Regional Director [REDACTED] at [REDACTED] or Assistant Regional Director [REDACTED] at [REDACTED].

Sincerely,

A handwritten signature in black ink, appearing to read "M. Anthony Lowe". The signature is fluid and cursive, with the first name "M." and last name "Lowe" clearly distinguishable.

M. Anthony Lowe
Regional Director

Redacted