THE SUPERINTENDENT OF BANKS OF THE STATE OF NEW YORK

In the Matter of SAVOY BANK NEW YORK, NEW YORK	AMENDED ORDER TO CEASE AND DESIST ISSUED UPON CONSENT PURSUANT TO SECTION 39 OF THE NEW YORK BANKING LAW

WHEREAS, in recognition of their common goals to ensure compliance with all applicable federal and state laws, rules and regulations, and the conduct of safe and sound banking operations, by Savoy Bank (the "Bank"), an institution chartered by the New York State Banking Department (the "Department"), the deposits of which are insured by the Federal Deposit Insurance Corporation (the "FDIC"), the Department and the Bank have mutually agreed to enter into this Amended Order to Cease and Desist, dated October 25, 2010 (the "AMENDED ORDER"), which amends and restates the Order to Cease and Desist issued by the Department, dated June 8, 2009 (the "2009 Order"); and

WHEREAS, the Department and the FDIC completed a joint safety and soundness examination as of September 30, 2008, and recently completed an additional safety and soundness examination as of December 31, 2009 (collectively, the "Reports"); and

WHEREAS, as a result the examinations, the Department and the FDIC have identified supervisory concerns relating to the conduct of the Bank's business, including certain unsafe and unsound banking practices and violations of law and/or regulations, as well as violations of orders imposed by the 2009 Order; and

WHEREAS, the Superintendent of Banks of the State of New York (the "Superintendent") is concerned that the Bank has failed to conduct its operations in a safe and sound manner by failing to take steps and establish the controls necessary to operate in a safe, prudent and lawful manner; and

WHEREAS, the Superintendent possesses the authority under Banking Law Section 39 to issue an order to the Bank to discontinue unlawful or unsafe practices; and

WHEREAS, the Superintendent believes that prompt enforcement action and this issuance of this AMENDED ORDER is necessary to address the aforementioned supervisory concerns with respect to the Bank, and further believes that additional enforcement action may be necessary to address any other supervisory concerns, which may come to the attention of the Department; and

WHEREAS, on October 19, 2010, the board of directors of the Bank (the "Board"), at a duly constituted meeting, adopted a resolution:

1. Authorizing and directing John Tremblay, President and Chief Executive Officer to enter into this AMENDED ORDER on behalf of the Bank, and to consent to compliance on behalf of the Bank with each and every provision of this AMENDED ORDER;
2. Waiving any and all rights to judicial review of this AMENDED ORDER;
3. Waiving any and all rights to challenge or contest the validity,

effectiveness, terms or enforceability of the provisions of this AMENDED ORDER.

NOW, THEREFORE, without admitting or denying any findings of fact or conclusions of law, and without this AMENDED ORDER constituting an admission of wrongdoing or an adoption, approval or admission of any allegation made by the Department, and pursuant to the aforesaid resolution:

IT IS HEREBY ORDERED pursuant to Banking Law Section 39 that the Bank, its 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 cease and desist from engaging in the unsafe or unsound banking practices and from committing the apparent violations of the law and/or regulation, described in the Reports, and specified below:

(a) operating with a board of directors that has failed to provide adequate supervision and oversight to the management of the Bank to prevent unsafe or unsound practices and violations of law and/or regulation;

(b) operating with management whose policies and practices are detrimental to the Bank;

(c) failing to comply with the 2009 Order;

(d) failing to comply with a written condition imposed by the FDIC in its June 22, 2007 order approving the Bank's application for deposit insurance in failing to notify the Regional Director of the FDIC's New York Regional Office of a major deviation from the business plan submitted with the Bank's application for deposit insurance at least 60 days prior to consummation of the deviation;

(e) operating with inadequate loan policies, processes and procedures, including, but not limited to, an inadequate loan review function and an inappropriate loan loss reserve methodology;

(f) operating with a lack of due diligence in loan underwriting and inadequate credit administration practices;

(g) operating with excessive risk in relation to the kind and quality of assets held by the Bank;

(h) operating with excessive concentrations in commercial real estate;

(i) operating with an excessive level of adversely classified loans and/or delinquent loans;

(j) operating with an inadequate allowance for loan and lease losses ("ALLL");

(k) operating in such a manner as to produce unsatisfactory earnings;

(l) operating with an insufficient plan to maintain capital, in light of unsatisfactory earnings;

(m) operating with an inadequate system to measure, monitor and control interest rate risk;

(n) operating the Bank with inadequate liquidity management practices;

(o) operating in violation of section 337.6(b) of the FDIC Rules and Regulations, 12 C.F.R. § 337.6(b);

(p) filing an inaccurate Report of Condition and Income ("Call Report") in violation of section 304.3 of the FDIC Rules and Regulations, 12 C.F.R. § 304.3;

(q) operating in violation of the appraisal requirements and standards of Part 323 of the FDIC Rules and Regulations, 12 C.F.R. Part 323;

(r) operating in violation of the Regulation O of the Rules and Regulations of the Board of Governors of the Federal Reserve System, 12 C.F.R. Part 215;

(s) operating in violation of section 143-b of the New York Banking Law;

(t) operating in contravention of the *Interagency Policy Statement on the Allowance for Loan and Lease Losses* (FIL-105-2006, issued December 13, 2006);

(u) operating in contravention of the *Joint Agency Policy Statement on Interest Rate Risk* (FIL-52-96, issued July 12, 1996);

(v) operating in contravention of the *Guidance on Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices* (FIL-104-2006, issued December 12, 2006); and

(w) operating in contravention of the *Interagency Guidelines for Real Estate Lending Policies*, 12 C.F.R. Part 365, App. A.

IT IS FURTHER ORDERED that the Bank, its institution-affiliated parties, and its successors and assigns, shall take affirmative action as follows:

CORRECTION AND PREVENTION

1. Beginning on the effective date of this AMENDED ORDER, the Bank shall take steps necessary, consistent with other provisions of this AMENDED ORDER and sound banking practices, to correct and prevent the unsafe or unsound banking practices and violations of law and regulations and all contraventions of federal and New York State banking agency policies and procedures and guidelines that were identified in the Reports issued jointly by the FDIC and the Department. In addition, the Board shall take all steps necessary to ensure that the Bank is operated with adequate management supervision and Board oversight to prevent any future unsafe or unsound banking practice or violation of law or regulation.

MANAGEMENT

2. (a) The Bank shall have qualified management, including a chief executive officer, chief lending officer, and an appropriate number and type of senior officers, with the requisite knowledge, skills, ability, and experience, giving consideration to the size and complexity of the Bank, to operate the Bank in a safe and sound manner, and in compliance with applicable laws and regulations, and restore the Bank to a satisfactory financial condition.

(b) Within 60 days from the effective date of this AMENDED

ORDER, in accordance with the requirements of subparagraph (c) of this paragraph, the Bank shall retain a third party bank consultant who is acceptable to the Superintendent and who will develop a written analysis and assessment of the Bank's management needs ("Management Report") for the purpose of providing qualified management for the Bank.

(c) Within 30 days from the effective date of this AMENDED ORDER, the Bank shall provide the Superintendent with a copy of the proposed engagement letter or contract with the third party bank consultant for non-objection or comment before it is executed. The contract or engagement letter, at a minimum, shall include:

(i) a description of the work to be performed under the contract or engagement letter, the fees for each significant element of the engagement, and the aggregate fee;

(ii) the responsibilities of the firm or individual;

(iii) an identification of the professional standards covering the work to be performed;

(iv) identification of the specific procedures to be used when carrying out the work to be performed;

(v) the qualifications of the employee(s) who are to perform the work;

(vi) the time frame for completion of the work;

(vii) any restrictions on the use of the reported findings;

(viii) a provision for unrestricted examiner access to work papers; and

(ix) a certification that the firm or individual is not affiliated in any manner with the Bank.

(d) The Management Report shall be completed and provided to the Bank by the third party bank consultant within 120 days from the effective date of this AMENDED ORDER and shall include, at a minimum:

(i) identification of both the type and number of officer positions needed to properly manage and supervise the affairs of the Bank;

(ii) identification and establishment of such Bank committees as are needed to provide guidance and oversight to active management;

(iii) evaluation of all Bank officers and staff members to determine whether these individuals possess the ability, experience and other qualifications required to perform present and anticipated duties, including adherence to the Bank's established policies and practices, and restoration and maintenance of the Bank in a safe and sound condition;

(iv) evaluation of all Bank officers' compensation, including salaries, director fees, and other benefits; and

(v) a plan to recruit and hire any additional or replacement personnel with the requisite ability, experience and other qualifications to fill those officer or staff member positions identified in the Management Report.

(e) Within 30 days from receipt of the Management Report, the

Bank shall formulate a written plan ("Management Plan") that incorporates the findings of the Management Report, a plan of action in response to each recommendation contained in the Management Report, and a time frame for completing each action. At a minimum, the Management Plan shall:

(i) contain a recitation of the recommendations included in the Management Report;

(ii) incorporate plans to ensure compliance with subparagraph (a) of this paragraph and to provide necessary training and development for all employees;

(iii) establish procedures to periodically review and update the Management Plan, as well as periodically review and assess the performance of each officer and staff member; and

(iv) contain a current management succession plan.

(f) The Management Plan shall be submitted to the Superintendent for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Superintendent, and after incorporation and adoption of all comments, the Board shall approve the Management Plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Management Plan.

REDUCTION OF ADVERSELY CLASSIFIED ASSETS

3. (a) Within 30 days from the effective date of this AMENDED

ORDER, the Bank shall eliminate by charge-off or collection all assets classified "Loss" within the Reports.

(b) Within 45 days from the effective date of this AMENDED ORDER, the Bank shall formulate and submit to the Superintendent a written plan ("Asset Plan") to reduce the Bank's risk exposure from each asset in excess of $250,000 classified "Substandard" or listed as "Special Mention" in the Reports. For purposes of this provision, "reduce" means to collect, charge-off, or improve the quality of an asset so as to warrant its removal from adverse classification by the FDIC, or the Department. In developing the plan mandated by this paragraph, the Bank shall, at a minimum, and with respect to each "Substandard" and "Special Mention" loan, review, analyze, and document the financial position of the borrower, including source of repayment, repayment ability, and alternative repayment sources, as well as the value and accessibility of any pledged or assigned collateral, and any possible actions to improve the Bank's collateral position.

(c) Within 30 days of receipt of any future Report of Examination or the completion of any future visitation by the FDIC or the Department, the Bank shall eliminate by charge-off or collection all assets classified "Loss" within the Report of Examination or at the visitation, and shall update the Asset Plan required by this paragraph to address each asset in excess of $250,000 classified "Substandard" or "Doubtful" (collectively, "Adversely Classified") or listed as "Special Mention" in the Report of Examination or at the visitation.

(d) The Asset Plan required by this paragraph shall also include, but not be limited to, the following:

(i) a schedule for reducing the outstanding dollar amount of each Adversely Classified and Special Mention asset, including timeframes for achieving the reduced dollar amounts (at a minimum, the schedule for each Adversely Classified and Special Mention asset must show its expected dollar balance on a quarterly basis);

(ii) specific action plans intended to reduce the Bank's risk exposure in each Adversely Classified and Special Mention asset;

(iii) a schedule showing, on a quarterly basis, the expected consolidated balance of all Adversely Classified and Special Mention assets, and the ratio of the consolidated balance to the Bank's projected Tier 1 capital plus the ALLL;

(iv) a provision for the Bank's submission of monthly written progress reports to its Board; and

(v) a provision mandating Board review of the progress reports, with a notation of the review recorded in the minutes of the corresponding meeting of the Board.

(e) The requirements of this paragraph do not represent standards for future operations of the Bank. Following compliance with the above reduction schedule, the Bank shall continue to reduce the total volume of Adversely Classified and Special Mention assets. The plan may include a provision for increasing Tier 1 capital when necessary to achieve the prescribed ratio.

(f) The Bank shall submit the Asset Plan to the Superintendent for review and comment. Within 30 days from receipt of any comment from the Superintendent, and after due consideration of any recommended changes, the Board shall approve the Asset Plan, which approval shall be recorded in the minutes of the corresponding meeting of the Board. Thereafter, the Bank shall implement and fully comply with the Asset Plan.

(g) While this AMENDED ORDER is in effect, the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who has a loan or other extension of credit or obligation with the Bank that has been, in whole or in part, charged off or classified "Loss" in the Reports, the Bank's internal loan reports, or by the FDIC or the Department in any future Report of Examination or at any future visitation, and is uncollected. The requirements of this paragraph shall not prohibit the Bank from renewing, after collecting in cash all interest and fees due from a borrower, any credit already extended to the borrower. Prior to renewing credit pursuant to this subparagraph, such additional credit shall be approved by the Board, or a designated committee thereof, who shall certify in writing:

(i) why failure of the Bank to extend such credit would be detrimental to the best interest of the Bank;

(ii) that the extension of such credit would improve the Bank's position, including an explanatory statement of how the Bank’s position would improve; and

(iii) that an appropriate workout plan has been developed and will be implemented in conjunction with the additional credit to be extended.

(h) While this AMENDED ORDER is in effect, the Bank shall not make any further extensions of credit, directly or indirectly, to any borrower whose loans are adversely classified “Substandard” or “Doubtful” in the Reports, the Bank’s internal loan reports, or by the FDIC or the Department in any future Report of Examination or at any future visitation without prior approval by the Board, and unless the Board has signed a detailed written statement giving reasons why failure to extend such credit would be detrimental to the best interests of the Bank. The Board shall not approve the proposed extension without first making affirmative determinations that:

(i) the extension of credit is in full compliance with the Bank's loan policy;

(ii) the extension of credit is necessary to protect the Bank's interests, or is adequately secured;

(iii) the Bank found the primary and secondary obligors to be creditworthy based on a credit analysis; and

(iv) all necessary loan documentation is on file, including, at a minimum, current financial and cash flow information, and satisfactory appraisal, title and lien documents.

(i) All written certifications and determinations from the Board required under this paragraph shall be recorded in the minutes of the meeting of the Board, with a copy retained in the borrower's credit file and a copy provided to the Superintendent in the progress reports required by paragraph 14 of this AMENDED ORDER.

(j) For purposes of this AMENDED ORDER, the terms "Tier 1 capital" and "total assets" shall have the meanings ascribed to them and shall be calculated in accordance with Part 325 of the FDIC Rules and Regulations, 12 C.F.R. Part 325.

STRATEGIC PLAN

4. (a) The Bank shall develop and submit by November 15, 2010 to the Superintendent for review, as required by subparagraph (c), a written business/strategic plan ("Strategic Plan") covering a three-year operating period beginning January 1, 2011. The Strategic Plan shall, at a minimum, include a formulation of a mission statement, the development of a strategy to carry out that mission, and the designation of a primary trade area. The Strategic Plan shall also include specific goals for the dollar volume of total loans, total investment securities, and total deposits. These goals shall be broken down further to indicate

the types and concentrations of loans, investment securities, and total deposits. The Strategic Plan shall also specify the anticipated average maturity and average yield on loans and securities; the average maturity and average cost of deposits; the level of earning assets as a percentage of total assets; and the ratio of net interest income to average earning assets. In addition, the Strategic Plan shall include a written profit plan that includes goals and strategies for improving and sustaining the earnings of the Bank, including:

(i) identification of the major areas in, and means by which, the Board will seek to improve the Bank's operating performance;

(ii) realistic and comprehensive budgets;

(iii) a budget review process to monitor the income and expenses of the Bank to compare actual figures with budgetary projections; and

(iv) a description of the operating assumptions that form the basis for, and adequately support, major projected income and expense components.

(b) The Bank's policies, including but not limited to loan, investment, and operating policies, shall be amended to implement the Strategic Plan.

(c) The Bank shall submit the Strategic Plan to the Superintendent for review and comment. Within 30 days from receipt of any comment from the Superintendent, and after incorporation and adoption of all comments, the Board shall approve the Strategic Plan, which approval shall be recorded in the minutes of the corresponding Board meeting. Thereafter, the Bank shall implement and fully comply with the Strategic Plan. The Bank shall submit in writing to the Superintendent for prior written approval any proposed major deviation or material change from the Strategic Plan approved by the Board pursuant to this subparagraph, which proposal must be submitted at least 60 days prior to the planned consummation of the change.

ALLOWANCES FOR LOAN AND LEASE LOSSES

5. (a) Within 30 days from the effective date of this AMENDED ORDER, the Board shall establish and document an accurate, comprehensive and consistent methodology for determining its ALLL consistent with sound banking practices and shall eliminate and/or correct all contraventions of the *Interagency Policy Statement on the Allowance for Loan and Lease Losses*.

(b) The Bank shall maintain, through charges to current operating income, an adequate ALLL. The adequacy of the ALLL shall be determined in light of the volume of criticized loans, the current level of past due and nonperforming loans, past loan loss experience, evaluation of the potential for loan losses in the Bank's portfolio, current economic conditions, and any criticisms contained in the Reports or any future reports of examination or made at any future visitation by the FDIC or the Department.

(c) The Bank shall conduct, at a minimum, a quarterly assessment of its ALLL and shall maintain a written record, for supervisory review, indicating the methodology used in determining the amount of the ALLL needed and any deficiencies shall be promptly remedied. The quarterly assessment shall be reviewed by the Board and shall be recorded in the minutes of the corresponding Board meeting.

LOAN POLICIES AND PROCEDURES

6. (a) Within 60 days from the effective date of this AMENDED ORDER, the Bank shall submit to the Superintendent revised written loan policies and procedures ("Loan Policy") that have been approved by the Board. The Board shall also establish review and monitoring procedures to ensure that all lending personnel are adhering to the Loan Policy, and that the Board is receiving timely and fully documented reports on loan activity, including reports that identify deviations from the Loan Policy. The Loan Policy shall, at minimum, address the recommendations contained in the Reports, and include the following:

(i) adequate underwriting standards and procedures for loans, loan renewals, and appraisal reviews;

(ii) review and monitoring procedures for compliance with the appraisal requirements and standards of Part 323 of the FDIC Rules and Regulations, 12 C.F.R. Part 323, and the *Interagency Appraisal and Evaluation Guidelines* (FIL–74–94, issued November 11, 1994).

(iii) controlling and monitoring of commercial real estate ("CRE") concentrations of credit, including (A) establishing concentrations of credit limits by industries, geographic areas and types of loans; and (B) managing the risk associated with asset concentrations;

(iv) controlling and monitoring of CRE, including plans to address the rationale for CRE levels as they relate to growth and capital targets, segmentations and testing of the CRE portfolio to detect and limit concentrations with similar risk characteristics;

(v) for real estate loans, appropriate pricing structures, sufficient collateral protection, and limits on amounts that can be loaned in relation to established collateral values;

(vi) specific procedures shall be included for prior approval of loans to directors, officers and principal shareholders and their related interests in compliance with applicable laws and regulations;

(vii) compliance with the *Interagency Policy Statement on the Allowance for Loan and Lease Losses*;

(viii) appropriate guidelines and limitations on interest reserves and the extension of loan maturity dates;

(ix) identification of exceptions to the Loan Policy and timely reports to the Board regarding such exceptions;

(x) control and monitoring of CRE, including at least quarterly written reports to the Board regarding concentrations in CRE; and

(xi) a requirement that extensions of credit to any of the Bank's executive officers, trustees, or principal shareholders, or to any related interest of such person, be reviewed for compliance with all provisions of Regulation O of the Board of Governors of the Federal Reserve System, 12 C.F.R. Part 215, and section 337.3 of the FDIC Rules and Regulations, 12 C.F.R. § 337.3, as well as with Section 130 of the Banking Law as implemented by Part 321 of the Superintendent's Regulations and Part 11 of the General Regulations of the Banking Board.

(b) The Loan Policy required by this paragraph shall be submitted to the Superintendent for non-objection or comment. Within 30 days of receipt of non-objection or comments from the Superintendent, and after incorporation and adoption of all comments, the Board shall approve the Loan Policy, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Loan Policy.

LOAN REVIEW

7. (a) Within 60 days from the effective date of this AMENDED ORDER, the Bank shall revise its independent loan review program ("ILR Program") to ensure that it is sufficiently comprehensive to assess risks in Bank lending and minimize credit losses. At a minimum, the revised ILR Program shall provide for:

(i) increased monitoring and oversight of loan review by management;

(ii) identification of the percentage of the loan portfolio to be reviewed;

(iii) assessment of the adequacy of debt service coverage;

(iv) for construction loans, inspection of the status of construction projects;

(v) identification of trends affecting the quality of the loan portfolio, potential problem areas, and action plans to reduce the Bank's risk exposure;

(vi) assessment of the overall quality of the loan portfolio;

(vii) identification of credit and collateral documentation exceptions and an action plan to address the identified deficiencies;

(viii) identification of loans that are not in conformance with the Bank's lending policy or laws, rules, or regulations and an action plan to address the identified deficiencies;

(ix) identification of loans to directors, officers, principal shareholders, and their related interests; and

(x) a procedure for reporting periodically, but in no event less than quarterly, the information developed in (i) through (ix) above to the Board. The report should also describe the action(s) taken by management with respect to problem credits.

(b) The Bank shall submit the ILR Program to the Superintendent for review and comment. Within 30 days from receipt of any comment from the Superintendent, and after incorporation and adoption of all comments, the Board shall approve the revised ILR Program, which approval shall be recorded in the minutes of the corresponding Board meeting. Thereafter, the Bank shall implement and fully comply with the ILR Program.

CAPITAL PLAN

8. (a) The Bank shall develop by November 15, 2010 a capital plan ("Capital Plan") to meet and maintain (i) Tier 1 capital at least equal to 8 percent of total assets, (ii) Tier 1 risk-based capital at least equal to 10 percent of total risk-weighted assets, and (iii) Total risk-based capital at least equal to 12 percent of total risk-weighted assets.

(b) At a minimum, the Capital Plan shall include:

(i) projections for asset growth and capital requirements that are based upon a detailed analysis of the Bank's current and projected assets, liabilities, earnings, fixed assets, and off-balance sheet activities, each of which shall be consistent with the Bank's strategic plan;

(ii) projections for the amount and timing of the capital necessary to meet the Bank's current and future needs; and

(iii) the primary source(s) from which the Bank will strengthen its capital to meet the Bank's current and future needs and contingency plans that identify alternative sources of capital.

(c) The Capital Plan shall be submitted to the Superintendent for review and comment. Within 30 days of receipt of comment from the Superintendent, the Board shall revise the Capital Plan in accordance with the comments of the Superintendent and including any modifications or amendments requested by the Superintendent, approve and implement the revised Capital Plan, which approval shall be recorded in the minutes of the corresponding Board meeting.

(d) The Board shall review and update the Capital Plan on an annual basis, or more frequently if necessary. Copies of the reviews and updates shall be submitted to the Superintendent.

(e) The Bank shall comply with the FDIC's Statement of Policy on Risk-Based Capital found in Appendix A to Part 325 of the FDIC Rules and Regulations, 12 C.F.R. Part 325, App. A.

(f) Within 30 days of the last day of each calendar quarter, the Bank shall determine, from its Call Report, its capital ratios for that calendar quarter.

(g) In the event any capital ratio is or falls below the minimum required by this AMENDED ORDER, the Bank shall immediately notify the Superintendent and: (i) within 30 days shall increase capital in an amount sufficient to comply with this AMENDED ORDER, or (ii) within 30 days shall submit a written plan to the Superintendent, describing the primary sources, means and timing by which the Bank shall increase its capital ratios up to or in excess of the minimum requirements set forth in this AMENDED ORDER, as well as a contingency plan for the sale or merger of the Bank in the event the primary sources of capital are not available within 30 days. Within 10 days of receipt of all such comments from the

Superintendent, and after consideration of all such comments, the Bank shall approve the written Capital Plan, which approval shall be recorded in the minutes of the meeting of the Board. Thereafter, the Bank shall implement and fully comply with the written plan.

INTEREST RATE RISK

9. (a) Within 60 days from the effective date of this AMENDED ORDER, the Bank shall maintain its interest rate risk ("IRR") exposure within the limits and parameters established and approved by the Board and in accordance with safe and sound banking practices, including holding, at a minimum, monthly meetings of the Bank's Asset/Liability Committee ("ALCO"). The Bank shall record minutes for each ALCO meeting.

(b) Reports of the Bank's IRR shall be presented at least monthly to the Board.

(c) The Bank shall ensure accurate and timely IRR reporting, including IRR reports prepared by external consultants.

(d) Within 120 days from the date of this AMENDED ORDER, the Bank shall have an independent review of IRR conducted in accordance with the *Joint Agency Policy Statement on Interest Rate Risk*. Within 15 days of its receipt of the results of the independent review, the Bank shall submit the results to the Superintendent.

BOARD OF DIRECTORS' OVERSIGHT

10. (a) The Board shall increase its participation in the affairs of the Bank and assume full responsibility for the approval of sound policies and objectives for compliance with this AMENDED ORDER and for the supervision of Bank management and all the Bank's activities. The Board's participation in the Bank's affairs shall include, at a minimum, monthly meetings in which the following areas shall be reviewed and approved by the Board: capital; reports of income and expenses; new, overdue, renewed, insider, charged-off, delinquent, nonaccrual, nonperforming, classified and recovered loans; internal loan watch list; operating policies; management's adherence to the Bank's written policies and procedures; and individual committee actions. The Board minutes shall document these reviews and approvals, including the names of any dissenting directors.

(b) The Board shall maintain adequate and complete minutes of all Board meetings, approve such minutes, and retain them for supervisory review.

LIQUIDITY AND FUNDS MANAGEMENT

11. (a) Within 60 days from the effective date of this AMENDED ORDER, the Bank shall formulate a liquidity and funds management policy to strengthen the Bank's funds management procedures and maintain adequate provisions to meet the Bank's liquidity needs ("Liquidity and Funds Management Policy"). The policy shall be submitted for review as described in subparagraph (c).

(b) The Liquidity and Funds Management Policy shall include, at a minimum, provisions that:

(i) provide a statement of the Bank's long-term and short-term liquidity needs and plans for ensuring that such needs are met;

(ii) provide for a periodic review of the Bank's deposit structure, including the volume and trend of total deposits and the volume and trend of the various types of deposits offered, the maturity distribution of time deposits, rates being paid on each type of deposit, rates being paid by trade area competition, caps on large time deposits, public funds, out-of-area deposits, and any other information needed;

(iii) establish a reasonable range for its net non-core funding ratio as computed in the Uniform Bank Performance Report and shall address the means by which the Bank will seek to reduce its reliance on non-core funding and high cost rate-sensitive deposits;

(iv) identify the source and use of borrowed and/or volatile funds;

(v) establish sufficient back-up lines of credit that would allow the Bank to borrow funds to meet depositor demands if the Bank's other provisions for liquidity proved to be inadequate;

(vi) require the retention of securities and/or other identified categories of investments that can be liquidated within one day in amounts sufficient (as a percentage of the Bank's total assets) to ensure the maintenance of the Bank's liquidity posture at a level consistent with short- and long-term liquidity objectives;

(vii) establish a minimum liquidity ratio and defining how the ratio is to be calculated;

(viii) establish contingency plans by identifying alternative courses of action designed to meet the Bank's liquidity needs;

(ix) address the use of borrowings (i.e., seasonal credit needs, match funding mortgage loans) and provide for reasonable maturities commensurate with the use of the borrowed funds; address concentration of funding sources; and address pricing and collateral requirements with specific allowable funding channels (i.e., brokered deposits, internet deposits, Federal funds purchased and other correspondent borrowings); and

(x) comply with the guidance set forth in *Liquidity Risk Management* (FIL-84-2008, issued August 26, 2008) and *Funding and Liquidity Risk Management Interagency Guidance* (FIL-13-2010, issued April 5, 2010).

(c) The Liquidity and Funds Management Policy shall be submitted to the Superintendent for non-objection or comment. Within 30 days from receipt of non-objection or any comments from the Superintendent, and after incorporation and adoption of all comments, the Board shall approve the Liquidity and Funds Management Policy, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Liquidity and Funds Management Policy.

(d) The Bank shall review annually its Liquidity and Funds Management Policy for adequacy and, based upon such review, shall make necessary revisions to the policy.

CALL REPORTS

12. The Bank shall ensure that its Call Reports accurately reflect the financial condition of the Bank as of the date of each such report.

COMPLIANCE COMMITTEE

13. (a) From the effective date of this AMENDED ORDER, the Board shall ensure that it has a committee ("Compliance Committee") composed of at least three directors who are not now, and have never been, involved in the daily operations of the Bank, and whose composition is acceptable to the Superintendent, to monitor and coordinate the Bank's compliance with the provisions of this AMENDED ORDER.

(b) Within 60 days from the effective date of this AMENDED ORDER, and at monthly intervals thereafter, the Compliance Committee shall prepare and present to the Board a written report of its findings, detailing the form, content, and manner of any action taken to ensure compliance with this AMENDED ORDER and the results thereof, and any recommendations with respect to such compliance. Such progress reports shall be included in the Board meeting minutes. Nothing contained herein shall diminish the responsibility of the entire

Board to ensure compliance with the provisions of this AMENDED ORDER.

(c) Within 15 days after its receipt from the Compliance Committee, the Board shall forward a copy of the report with any additional comments made by the Board to the Superintendent.

PROGRESS REPORTS

14. Within 30 days from the end of each calendar quarter following the effective date of this AMENDED ORDER, the Board shall furnish written progress reports to the Superintendent detailing the form, content, and manner of any actions taken to secure compliance with this AMENDED ORDER. All progress reports required by this AMENDED ORDER and other written responses to this AMENDED ORDER shall be reviewed by the Board and made a part of the Board minutes.

SHAREHOLDERS

15. Following the effective date of this AMENDED ORDER, the Bank shall provide to its shareholders or otherwise furnish a description of this AMENDED ORDER, in conjunction with the Bank's next shareholder communication and in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe the AMENDED ORDER in all material respects. The description and any accompanying communication, statement, or notice shall be sent to the addressed specified below in Section 18

for non-objection or comment at least 30 days prior to dissemination to shareholders. Any changes requested to be made by the Department shall be made prior to dissemination of the description, communication, notice, or statement.

SAVINGS CLAUSE

16. The provisions of this AMENDED ORDER shall not bar, estop or otherwise prevent the FDIC or any other federal or state agency or department from taking any other action or seeking further remedies against the Bank or any of the Bank's current or former institution-affiliated parties or agents for violations of any laws, engaging in unsafe or unsound banking practices. The provisions of this AMENDED ORDER apply to the Bank's successors and assigns.

ORDER EFFECTIVE

17. The provisions of this AMENDED ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof. The provisions of this AMENDED ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this AMENDED ORDER shall have been modified, terminated, suspended, or set aside in writing by the Department.

NOTICES

18. All communications regarding this AMENDED ORDER shall be sent to:

Martin D. Cofsky, Deputy Superintendent of Banks
New York State Banking Department
One State Street
New York, N.Y. 10004-1511

By order of the Superintendent, effective this 25th day of October, 2010.

Pursuant to delegated authority.

Dated: October 25, 2010

NEW YORK STATE BANKING DEPARTEMENT	SAVOY BANK NEW YORK, NY
By:_________________________ Martin D. Cofsky Deputy Superintendent of Banks	By:_________________________ John Tremblay President and Chief Executive Officer