

UNITED STATES OF AMERICA
BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

In the Matter of
OMNIBANK
RIVER ROUGE, MICHIGAN

DOCKET NO. 98-002-PCA-SM
Prompt Corrective Action
Directive Issued Pursuant to
Section 38 of the Federal
Deposit Insurance Act,
as Amended

The Board of Governors of the Federal Reserve System
(the "Board of Governors") has determined that:

(A) The OmniBank, River Rouge, Michigan (the "Bank"), a state member bank, is critically undercapitalized, as defined in section 208.33(b)(5) of Regulation H of the Board of Governors (12 C.F.R. 208.33(b)(5)), for purposes of section 38 of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. 1831o), as of January 15, 1998.

(B) Pursuant to sections 38(f)(2) and (3) of the FDI Act (12 U.S.C. 1831o(f)(2) and (3)), section 208.35(b) of Regulation H of the Board of Governors (12 C.F.R. 208.35(b)) and section 263.202(a)(2) of the Rules of Practice for Hearings of the Board of Governors (the "Rules of Practice") (12 C.F.R. 263.202(a)(2)), the Bank must immediately take certain actions in

order to carry out the purposes of section 38 of the FDI Act, due to the Bank's weakened capital position.

Accordingly, pursuant to section 208.35(b) of Regulation H of the Board of Governors and section 263.202(a)(2) of the Rules of Practice, the Board issues this Prompt Corrective Action Directive (the "Directive") and immediately directs the Bank and its institution-affiliated parties, as defined in section 3(u) of the FDI Act (12 U.S.C. 1813(u)), to comply fully with the following:

1. The Bank shall immediately, but by no later than March 2, 1998, in conjunction with the Bank's parent bank holding company, OmniBanc Corporation, River Rouge, Michigan:

(a) Increase its equity through the sale of shares or contributions to surplus in an amount sufficient to make the Bank adequately capitalized as defined in section 208.33(b)(2) of Regulation H of the Board of Governors; or

(b) enter into and close a contract to be acquired by another depository institution holding company or combine with another insured depository institution, closing under which contract is conditioned only on the receipt of

necessary regulatory approvals, the continued accuracy of customary representations and warranties and the performance of customary pre-closing covenants.

2. Without the prior written approval of the Federal Reserve Bank of Chicago (the "Reserve Bank"), and the fulfillment of either of the requirements set forth in paragraphs 1(a) and (b) hereof, the Bank shall not accept, renew, or rollover deposits bearing an interest rate that exceeds the prevailing effective yields on insured deposits of comparable maturity in the Bank's normal market area.

3. (a) Without the prior written approval of the Reserve Bank, the Bank shall not, directly or indirectly, enter into, participate, or in any other manner engage in any transaction with OmniBanc Corporation or any other affiliate.

(b) For the purposes of this Directive, the terms (i) "transaction" shall include, but not be limited to the transfer, sale or purchase of any asset, including cash, or the direct or indirect payment of any expense or obligation of OmniBanc Corporation, the payment of a management or service fee of any nature, or any extension of credit, (ii) "extension of credit" shall be defined as set forth in section 215.3 of Regulation O of the Board of Governors (12 C.F.R. 215.3), and (iii) "affiliate" shall be defined as set forth in subparagraph

(b) (1) of section 23A of the Federal Reserve Act (12 U.S.C. 371c(b) (1)).

4. (a) Immediately but by no later than March 2, 1998, the Bank shall recruit and hire:

(i) A qualified and competent senior management team, including but not limited to, a chief executive officer and a chief financial officer/controller;

(ii) qualified and competent staff to operate the Bank's data processing function; and

(iii) qualified and competent staff to assist the chief lending officer with his or her lending responsibilities.

(b) All senior management appointments must be approved by the Reserve Bank, as required by the Written Agreement, dated January 21, 1997, between the Bank, the Reserve Bank, and the Bureau (the "Written Agreement").

(c) The Bank shall comply fully with the provisions of sections 38(f)(4)(A)(i) and (ii) of the FDI Act (12 U.S.C. 1831o(f)(4)(A)(i) and (ii)) restricting the payment of

bonuses to senior executive officers and increases in compensation to such officers.

5. The Bank shall comply fully with the provisions of section 38(h)(2)(A) of the FDI Act (12 U.S.C. 1831o(h)(2)(A)) restricting the payment of principal or interest on its subordinated debt, beginning 60 days after January 15, 1998.

6. The Bank shall fully comply with the provisions of the Written Agreement.

7. All communications regarding this Directive shall be sent to:

(a) Mr. John J. Wixted, Jr.
Senior Vice President
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60690

(b) Mr. Thomas Willoughby
Acting President and CEO
OmniBank
10474 West Jefferson Avenue
River Rouge, Michigan 48218-1396

8. The provisions of this Directive shall be binding upon the Bank and its institution-affiliated parties, in their capacities as such, and their successors and assigns.

9. Each provision of this Directive shall remain effective and enforceable until stayed, modified, terminated or suspended by the Board of Governors as set forth in paragraph 12 hereof.

10. Notwithstanding any provision of this Directive to the contrary, the Reserve Bank may, in its sole discretion, grant written extensions of time to the Bank to comply with any provision of this Directive.


11. The provisions of this Directive shall not bar, estop or otherwise prevent the Board of Governors, or any federal or state department or agency from taking any other action affecting the Bank or any of its current or former institution-affiliated parties and their successors or assigns.

12. The Bank may, pursuant to section 263.202(a)(2) of the Rules of Practice, submit to the Board of Governors a written appeal of this Directive. Any written appeal of this Directive shall be filed within 14 days of service of this Directive with William W. Wiles, Secretary of the Board, Board of Governors of the Federal Reserve System, 20th & C Streets, N.W., Washington, D.C. 20551. Failure to file a written appeal within the time

specified herein shall constitute a waiver by the Bank of the opportunity to file a written appeal of this Directive.

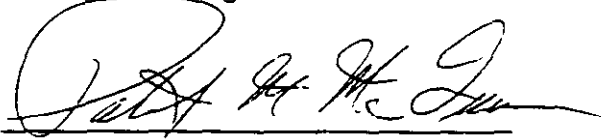
By order of the Board of Governors of the Federal Reserve System effective this 26th day of January, 1998.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

By 
William W. Wiles
Secretary of the Board

The Commissioner of the Financial Institutions Bureau of the State of Michigan, being duly apprised of the circumstances surrounding imposition of this Directive, fully concurs with the issuance thereof.

Financial Institutions Bureau
State of Michigan

By 
Commissioner