

Office of Internal Auditor – Update

Summary

At its September 20, 2007 meeting, the Citizens Board of Governors selected a Chief of Internal Audit to direct and lead the activities of the Office of Internal Audit. Joyce Bellows, who is a Certified Financial Services Auditor with over 15 years of auditing experience, will assume her new responsibilities at Citizens on November 5, 2007. Ms. Bellows resume attached.

In June, the Citizens Board engaged an outside consulting firm, Huff, Thomas & Company, to ensure that the internal audit function continued while the search for a Chief of Internal Audit was underway. Huff, Thomas has been on site at Citizens since late July, concentrating on such areas as internal control, check processing, claims, binding authority, policy administration systems, and underwriting processes. Their audit and examination work is projected to be completed by the end of October.

JOYCE BELLOWS, CFSA

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Jacksonville, Florida 32223

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PROFESSIONAL SUMMARY

An accomplished professional with over 15 years' of progressive Risk Management and Internal Audit background. Experienced in dealing with matters associated with publicly traded companies and direct responsibilities to the Board of Directors. Seasoned in the banking, mortgage and consumer finance industries. Recognized for outstanding business partnership and leadership development skills. Key areas of expertise include:

<ul style="list-style-type: none">• Sarbanes-Oxley• Fraud• External Audit Relationships• Vendor Management	<ul style="list-style-type: none">• Enterprise Risk Management• Audit Committee• Quality Control• Credit	<ul style="list-style-type: none">• Internal Audit• Process Mapping• ITGI• Policy and Procedures
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PROFESSIONAL EXPERIENCE

NETBANK, INC. – JACKSONVILLE, FLORIDA

2002 – PRESENT

Chief Risk Management Officer (2006-2007)

- Responsible for all aspects of the Enterprise Risk Management Program. Reports to CEO and Chairman of the Board of Directors.
- Responsible for planning and directing business analysis, risk modeling, operational risk and loss prevention programs (Quality Control, Internal Control Reporting, Internal Audit, Policies and Procedures and Sarbanes Oxley requirements).
- Familiar and an advocate of risk management concepts, practices, and procedures.
- Leads and directs a team of six direct reports and a full team of sixty-three.

Director of Sarbanes Oxley and Internal Control Assurance, Senior Officer (2004-2006)

- Responsible for selecting and developing human resources for Sarbanes Oxley department, including internal and external resources. (33 external staff and 16 external staff for 2004 and 2005 respectively). Reported functionally to CEO and CFO and administratively to Corporate Risk Executive.
- Developed and maintained the SOX 404 and 302 programs.
- Directed and managed ERM system implementation with priority of automating/streamlining SOX.
- Provided guidance and support to staff on client communication, data analysis, significant account/process identification, risk identification, key control analysis and determination of recommended SOX scope and overall objectives.

Internal Audit Manager, Officer (2002-2004)

- Coordinated with General Auditor on the revamp of the Internal Audit Department.
- Developed and maintained productive client relationships for assigned areas through individual contact and group meetings. (Financial and technology areas).
- Managed assigned staff, including evaluating performance, providing feedback, coaching, guidance and training in the audit approach.
- Developed audit objectives, plans and scope consistent with the department charter, assessment of audit risk and the audit priorities as per the annual audit plan.

EVERBANK, INC. – JACKSONVILLE, FLORIDA

2001 – 2002

(Formerly Alliance Capital Partners)

Internal Audit Manager/Director

- Highest ranking Internal Audit employee of the company reporting to the CEO and Audit Committee.
- Developed Internal Audit Department for Alliance Capital Partner family of companies including but not limited to the following: Risk Assessment of all companies, draft policies and procedures and integrated auditing approach.
- Directed implementation of corporate wide Risk Management process for all companies including FDICIA considerations.

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Page 2

EVERBANK, INC. CONTINUED

- Developed annual plan, budget, and FTE needs to provide comprehensive risk-based coverage of all financial, operational, regulatory, and technological environments for all ACP family of companies.
- Proactively recommend improvements through cooperative interaction with senior management and the Board Audit Committee via written and oral presentations.

DELOITTE AND TOUCHE, LLP – JACKSONVILLE, FLORIDA

2000 – 2001

Senior Consultant, Enterprise Risk Services

- Performed risk based internal audits and various consultant engagements including the following industries: Internet Banking, Mortgage Lending and Call Center Services (Customer Service and Technical Support).
- Responsible for performance feedback and staff development on client engagements.
- Performed analyses of medium to high risk financial and operational for financial services industry clientele within established budgetary guidelines.
- Planned and prepared project plans for various consultant engagements.

BANK OF AMERICA CORPORATION, JACKSONVILLE, FLORIDA

1998 – 2000

F/K/A NATIONSBANK CORPORATION F/K/A/BARNETT BANKS, INC.

Sr. Commercial Credit Analyst, Assistant Vice President

- Performed financial and business risk analyses on annual loan reviews between \$500M – \$15M.
- Prepared financial statement spreads, personal financial statements and cash flow analyses.
- Prepared and monitor accounts receivable, accounts payable and loan covenant compliance.
- Responsible for completing the Credit Analyst Guide which includes policies and procedures for the Core Products Group.

Professional Experience Prior to 1998:

BOMBARDIER CAPITAL FINANCE COMPANY, *Internal Compliance Analyst*

NATIONSBANK CORPORATION F/K/A/BARNETT BANKS, INC, *Senior Auditor II*

NATIONSBANK CORPORATION F/K/A/BARNETT BANKS, INC, *Staff Auditor, Senior Auditor I, and Senior Auditor II*

BUTTNER HAMMOCK RANES & CO., P.A., *Paraprofessional*

VARIOUS FINANCIAL INSTITUTIONS

Head Teller, Teller Supervisor, New Accounts Representative and Customer Service Representative

EDUCATION/CERTIFICATIONS/PROFESSIONAL ORGANIZATIONS

Master of Business Administration, University of North Florida – Jacksonville, Florida

Bachelor of Business Administration, Accounting, University of North Florida – Jacksonville, Florida

Certified Financial Services Auditor -2003 Certification No. 6046

Candidate for Certified Internal Auditor (CIA) -2007

Beta Gamma Sigma

Phi Kappa Phi

Who's Who Among Students in American Universities & Colleges