

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY

In the Matter of:)
Wing Lung Bank, Ltd.)
Los Angeles, California)
)
a limited Federal branch of)
)
Wing Lung Bank, Ltd.)
Hong Kong, People's Republic of China)

CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller"), through his National Bank Examiner, has supervisory authority over Wing Lung Bank, Ltd., Los Angeles, California ("Branch"), a limited Federal branch of Wing Lung Bank, Ltd., Hong Kong, People's Republic of China ("Bank").

The Bank, by and through its Board of Directors ("Board"), and the Branch, by and through its General Manager, have executed a "Stipulation and Consent to the Issuance of a Consent Order," dated Nov.17, 2005, that is accepted by the Comptroller. By this Stipulation and Consent, that is incorporated by reference, the Branch and the Bank have consented to the issuance of this Consent Order ("Order") by the Comptroller.

Pursuant to the authority vested in him by the International Banking Act of 1978, as amended, 12 U.S.C. § 3101 et seq., and the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

ARTICLE I

BANK SECRECY ACT INTERNAL CONTROLS

(1) Within ninety (90) days of the date of this Order, the General Manager, with the approval of Head Office executive management, shall update, expand, and thereafter ensure Branch adherence to a written program of policies and procedures to provide for compliance with the Bank Secrecy Act (“BSA”), as amended (31 U.S.C. §§ 5311 et seq.), the regulations promulgated thereunder at 31 C.F.R. Part 103, as amended, and 12 C.F.R. Part 21, Subparts B and C, and the rules and regulations of the Office of Foreign Assets Control (“OFAC”) (collectively referred to as the “Bank Secrecy Act” or “BSA”) and for the appropriate identification and monitoring of transactions that pose greater than normal risk for compliance with the BSA. At a minimum, this program should be expanded to include the following:

- (a) roles, duties and expectations of the BSA Officer;
- (b) operating procedures for the monitoring of high-risk accounts;
- (c) due diligence procedures for all higher velocity accounts to include collecting a customer’s complete profile, anticipated account activity, and financial information;
- (d) enhanced due diligence (“EDD”) procedures to be established for higher-risk accounts that require more detailed understanding of a customer’s banking activities; more frequent monitoring of transactions; and a thorough background investigation of these customers and their affiliated businesses;
- (e) comprehensive procedures to identify and report to appropriate management personnel:

- (i) frequent or large volume wire transfers or book entry transfers to or from offshore or domestic entities or individuals;
- (ii) wire transfers or book entry transfers that are deposited into several accounts;
- (iii) receipt and disbursement of wire transfers or book entry transfers without an apparent *bona fide* business reason; and
- (iv) receipt and disbursement of wire transfers or book entry transfers that are suspicious or inconsistent with the customers' business.

(2) Within ninety (90) days of the date of this Order, the General Manager, with the approval of Head Office executive management, shall update, expand, and thereafter ensure Branch adherence to a written program of policies and procedures to provide for the Branch's monitoring of suspicious cash, monetary instruments, wire transfers, and other activities for all types of transactions, accounts, customers, products, services, and geographic areas. At a minimum, this written program shall be expanded to include:

- (a) periodic analysis of aggregate wire activity;
- (b) reviews of high risk transactions, accounts, customers, products, services, and geographic areas; and
- (c) submission of Suspicious Activity Reports ("SARs") based on these reviews and analyses.

(3) Within ninety (90) days of the date of this Order, the General Manager, with the approval of Head Office executive management, shall update, expand, and thereafter ensure Branch maintenance of an integrated, accurate system for all Branch areas to produce periodic reports designed to identify unusual or suspicious activity, including patterns of activity, to

monitor and evaluate unusual or suspicious activity, and to maintain accurate information needed to produce these reports. The periodic reports should cover monthly reports over longer periods of time, exceeding one month, and should segregate transactions that pose a greater than normal risk for compliance with the Bank Secrecy Act;

(4) Upon completion, a copy of this program shall be submitted to the Assistant Deputy Comptroller for review. In the event the Assistant Deputy Comptroller recommends changes to the program, the Branch Manager shall immediately incorporate those changes into the program.

(5) The Branch Manager shall ensure that the Branch has processes, personnel, and control systems to implement and adhere to the program developed pursuant to this Article.

ARTICLE II

BANK SECRECY ACT COMPLIANCE FUNCTION

(1) Within forty-five (45) days of the date of this Order, the Branch shall make an assessment of the changes needed to the BSA Officer position, including the responsibilities, authority, structure, independence, skills and qualifications of the BSA Officer. Based on this assessment, the Branch shall appoint or employ a capable BSA Officer who shall be vested with sufficient authority to monitor and ensure the Branch's compliance with the Bank Secrecy Act, OFAC, and the USA PATRIOT Act. This BSA Officer shall:

- (a) report directly to the General Manager, but shall exercise independent authority on suspicious activity monitoring and filing and in other BSA/AML matters;
- (b) coordinate with the Head Office division responsible for the oversight of the Bank's consolidated BSA/AML program; and

- (c) be responsible for the complete and timely filing of all reports required under the Bank Secrecy Act, including, but not limited to, Currency Transaction Reports (“CTRs”) and SARs.
- (2) The Branch shall ensure that this new BSA Officer has sufficient training and skill to perform his/her assigned responsibilities.
- (3) Prior to the appointment or employment of any individual as the BSA Officer, the Branch shall submit the name and qualifications of the proposed officer to the Assistant Deputy Comptroller for a prior determination of no supervisory objection.
- (4) The requirement to submit information and the provision for a prior determination of no supervisory objection in this Article are based on the authority of 12 U.S.C. § 1818(b) and do not require the Comptroller or the Assistant Deputy Comptroller to complete his review and act on any such information or authority within ninety (90) days.

ARTICLE III

BANK SECRECY ACT AUDIT

- (1) Within ninety (90) days of the date of this Order, the Branch shall review and evaluate the level of service and ability of the audit function for BSA matters currently being provided by its Head Office Auditor, including:
 - (a) the Branch’s expectations of how the Head Office Auditor can and should assist in ensuring the Branch’s compliance with OFAC and the Bank Secrecy Act;
 - (b) an assessment of prior audits and the Branch’s response to those audits; and
 - (c) an evaluation of the audit tools, including technology, available.

(2) Within ninety (90) days of the date of this Order, the General Manager, with the approval of Head Office executive management, shall expand the Branch's existing BSA audit procedures to include:

- (a) qualified audit staff on the requirements of the Bank Secrecy Act, including the USA PATRIOT Act;
- (b) development of a program to test periodically the adequacy of internal controls designed to ensure compliance with the provisions of OFAC and the Bank Secrecy Act in all areas of the Branch;
- (c) prompt management response and follow-up to all exceptions or other recommendations of any Branch auditor for BSA matters or of the Office of the Comptroller of the Currency; and
- (d) a risk-based approach to OFAC and Bank Secrecy Act compliance that includes transactional testing and verification of data for higher-risk accounts or geographic areas of specific concern.

(3) The Branch shall ensure appropriate oversight of the BSA audit function, with particular emphasis on an adequately staffed department or outside firm with respect to both the experience level and number of the individuals employed.

(4) The Branch shall ensure that the audit program is independent. The persons responsible for implementing the BSA audit program described above shall report directly to the General Manager, which, with the approval of Head Office executive management, shall have the sole power to direct their activities. All reports prepared by the audit staff shall be filed directly with the General Manager and not through any intervening party.

(5) All audit reports shall be in writing and supported by adequate workpapers, which must be provided to the Branch. The General Manager shall ensure that immediate actions are undertaken to remedy deficiencies cited in audit reports, and that auditors maintain a written record describing those actions.

(6) The General Manager shall evaluate the audit reports of any party providing services to the Branch, and shall assess the impact on the Branch of any audit deficiencies cited in such reports.

(7) The audit staff shall have access to any records necessary for the proper conduct of its activities. National bank examiners shall have access to all reports and work papers of the audit staff and any other parties working on its behalf.

(8) The General Manager shall ensure that the Branch has processes, personnel, and control systems to ensure implementation of, and adherence to, the program developed pursuant to this Article.

(9) Upon completion, a copy of the revised internal audit program shall be promptly submitted to the Assistant Deputy Comptroller for review. In the event the Assistant Deputy Comptroller recommends changes to the program, the Branch Manager shall immediately incorporate those changes into the program.

ARTICLE IV

BANK SECRECY ACT TRAINING

(1) Within thirty (30) days of the date of this Order, the General Manager, with the approval of Head Office executive management, shall update, expand, and thereafter ensure Branch adherence to a comprehensive training program for all appropriate operational and supervisory personnel, with particular emphasis given to the BSA Officer, to ensure their

awareness of their responsibility for compliance with the requirements of the OFAC and the Bank Secrecy Act, including the reporting requirements associated with SARs pursuant to 12 C.F.R. Part 21, Subpart B, regardless of the size of the relationship or type of customer involved.

(2) The Branch's training program should identify the unique or special risks posed by certain accounts due to the type and volume of business activity conducted in the Branch and should specifically address those risks in the training program.

(3) All internal training should be documented, including a list of attendees and the curriculum provided, and retained in the Branch for a period of three (3) years.

(4) The Branch should ensure that it has the resources and personnel to ensure implementation of, and adherence to, the comprehensive training program developed pursuant to this Article.

ARTICLE V

SUSPICIOUS ACTIVITY REPORTS

(1) Within ninety (90) days of the date of this Order, the General Manager, with the approval of Head Office executive management, shall update, expand, and thereafter ensure the Branch's adherence to a written program to establish a system of internal controls and processes to ensure compliance with the requirements to file Suspicious Activity Reports set forth in 12 C.F.R. § 21.11, as amended. At a minimum, this written program shall be expanded to include:

- (a) procedures for identifying, monitoring and reporting suspicious activity, known or suspected violations of Federal law, violations of the BSA, or suspicious transactions related to money laundering activity, including suspicious activity

relating to the opening of new accounts, the monitoring of current accounts, and the transfer of funds through the Branch;

(b) procedures to improve the quality of SARs filed by the Branch by requiring the narrative section to be specific and clear and to include all of the information listed in the Report of Examination (“ROE”) that commenced on June 13, 2005; and

(c) procedures requiring the Branch to file SARs every ninety (90) days for continuing suspicious activities.

(2) Upon completion, a copy of this program shall be submitted to the Assistant Deputy Comptroller for review. In the event the Assistant Deputy Comptroller recommends changes to the program, the General Manager shall immediately incorporate those changes into the program.

(3) The General Manger shall ensure that the Branch has appropriate processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE VI

ADMINISTRATIVE APPEALS AND EXTENSIONS OF TIME

(1) If the Branch determines that an exception to any provision of this Order is in the best interests of the Branch, or requires an extension of any timeframe within this Order, the Branch shall submit a written request to the Assistant Deputy Comptroller asking for relief.

(2) Any written requests submitted pursuant to this Article shall include a statement setting forth in detail the special circumstances that prevent the Branch from complying with any provision, that require the Assistant Deputy Comptroller to exempt the Branch from any

provision, or that require an extension of any timeframe within this Order. All such requests shall be accompanied by relevant supporting documentation.

(3) The Assistant Deputy Comptroller's decision in granting the request is final and not subject to further review.

ARTICLE VII

CLOSING

(1) Although the Bank, through its Board of Directors, and the Branch, through the Branch General Manager, are required to submit certain proposed actions and programs for the review or approval of the Assistant Deputy Comptroller, the Board and the General Manager have the ultimate responsibility for proper and sound management of the Bank and the Branch as well as compliance with all of the provisions contained in this Order.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States of America to undertake any action affecting the Branch, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Order shall begin to run from the effective date of this Order. Such time limitations may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board or Branch General Manager.

(4) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose hand appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Order in which the General Manager is required to ensure adherence to, and undertake to perform certain obligations of the Branch, it is intended to mean that the General Manager shall:

- (a) authorize and adopt such actions on behalf of the Branch as may be necessary for the Branch to perform its obligations and undertakings under the terms of this Order;
- (b) require the timely reporting by the Branch of such actions directed by the Bank to be taken under the terms of this Order;
- (c) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (d) require corrective action be taken in a timely manner of any non-compliance with such actions.

(6) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b) and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(7) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED, this 17th day of November, 2005.

/s/ Carlos D. Hernández

Carlos D. Hernández
Assistant Deputy Comptroller
New York Metro – North

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:)
Wing Lung Bank, Ltd.)
Los Angeles, California)
)
a limited Federal branch of)
)
Wing Lung Bank, Ltd.)
Hong Kong, People’s Republic of China)

**STIPULATION AND CONSENT TO THE ISSUANCE
OF A CONSENT ORDER**

The Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate cease and desist proceedings against Wing Lung Bank, Ltd., Los Angeles, California (“Branch”), a limited Federal Branch of Wing Lung Bank, Ltd., Hong Kong, People’s Republic of China (“Bank”), pursuant to 12 U.S.C. § 1818(b) and 12 U.S.C. § 3101 *et seq.*

The Bank and the Branch, in the interest of compliance and cooperation, consent to the issuance of a Consent Order, dated Nov. 17, 2005 (“Order”);

In consideration of the above premises, the Comptroller, through his authorized representative, and the Board of Directors of the Bank, by and through its designated representative, and the Branch, by and through its General Manager, hereby stipulate and agree to the following:

ARTICLE I

Jurisdiction

(1) The Branch is a Federal branch licensed and examined by the Comptroller pursuant to the International Banking Act of 1978, as amended, 12 U.S.C. § 3101 *et seq.*

(2) The Comptroller is “the appropriate Federal banking agency” regarding the Branch pursuant to 12 U.S.C. §§ 1813(q), 1818(b) and 3108(b).

(3) This Agreement shall cause the Bank not to be designated as an “eligible foreign bank” for purposes of 12 C.F.R. § 28.12(f), unless otherwise informed in writing by the Comptroller.

ARTICLE II

Agreement

(1) The Bank and the Branch, without admitting or denying any wrongdoing, hereby consent and agree to the issuance of the Order by the Comptroller. The Bank and the Branch further agree that said Order shall be deemed an “order issued with the consent of the depository institution” as defined in 12 U.S.C. § 1818(h)(2), and consent and agree that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. §§ 1818(i) and 3101 *et seq.*

(2) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank and the Branch under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank and the Branch expressly acknowledge that neither the Bank, the Branch, nor the Comptroller has any intention to enter into a contract.

(3) The Bank and the Branch also expressly acknowledge that no officer or employee of the Office of the Comptroller of the Currency has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

ARTICLE III

Waivers

- (1) The Bank and Branch, by signing this Stipulation and Consent, hereby waive:
 - (a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);
 - (b) any and all procedural rights available in connection with the issuance of the Order ;
 - (c) all rights to seek any type of administrative or judicial review of the Order; and
 - (d) any and all rights to challenge or contest the validity of the Order.

ARTICLE IV

Other Action

(1) The Bank and the Branch agree that the provisions of this Stipulation and Consent shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank and the Branch if, at any time, he deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller.

/s/ Carlos D. Hernández

Carlos D. Hernández
Assistant Deputy Comptroller
New York Metro - North

November 17, 2005

Date

IN TESTIMONY WHEREOF, the undersigned, the designated representative of the Board of Directors of the Bank and the General Manager of the Branch, have hereunto set their hands, on behalf of the Bank and the Branch, respectively:

/s/

Howard Wu, AGM

Designated Representative and Title
Wing Lung Bank, Ltd.

Nov 16 2005

Date

/s/

Anthony Yip
General Manager
Wing Lung Bank, Ltd.

November 17, 2005

Date