

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

In the Matter of:)
InterBusiness Bank, N. A.,)
Diamond Bar, California)

CONSENT ORDER

The Acting Comptroller of the Currency of the United States of America (“Comptroller”), through her National Bank Examiner, has supervisory authority over InterBusiness Bank, N. A., Diamond Bar, California (“Bank”).

The Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated May 16, 2005, that is accepted by the Comptroller. By this Stipulation and Consent, that is incorporated by reference, the Bank has consented to the issuance of this Consent Order (“Order”) by the Comptroller.

Pursuant to the authority vested in her by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

Article I

COMPLIANCE COMMITTEE

(1) Within thirty (30) days, the Board shall appoint a Compliance Committee of at least five (5) directors, of which no more than two (2) shall be employees of the Bank or any of its affiliates (as the term “affiliate” is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. Upon appointment, the names of the members of the Compliance Committee

shall be submitted in writing to the Assistant Deputy Comptroller. The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Order.

(2) The Compliance Committee shall meet at least monthly.

(3) Within thirty (30) days of the appointment of the Committee, and every ninety (90) days thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

(a) actions taken to comply with each Article of this Order; and

(b) the results of those actions.

(4) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Assistant Deputy Comptroller.

Article II

BOARD TO ENSURE COMPETENT MANAGEMENT

(1) Within sixty (60) days, the Board shall ensure that the Bank has competent personnel in place in its Chairman of the Board, Chief Executive Officer, President, Chief Credit Officer, Chief Financial Officer, BSA Compliance Officer, and Information Technology Officer positions to carry out the Board's policies, ensure compliance with this Order, applicable laws, rules and regulations, and manage the day-to-day operations of the Bank in a safe and sound manner.

(2) Within sixty (60) days, the Board shall review the capabilities of the Bank's current management and board to perform present and anticipated duties and the Board will determine whether changes should be made, including the need for additions to or deletions from the current management and board.

(3) For incumbent officers or directors in the positions mentioned in Paragraph (1) of this Article, the Board shall within sixty (60) days assess each of these individual's experience, other qualifications and performance compared to the position's description, duties and responsibilities.

(4) If the Board determines that an officer or director will continue in his position but that the individual's depth of skills needs improvement, the Board will within thirty (30) days develop and implement a written program, with specific time frames, to improve the individual's supervision and management of the Bank. At a minimum the written program shall include:

- (a) an education program designed to ensure that the individual has skills and abilities necessary to supervise effectively;
- (b) a program to improve the effectiveness of the individual;
- (c) objectives by which the individual's effectiveness will be measured; and
- (d) a performance appraisal program for evaluating performance according to the position's description and responsibilities and for measuring performance against the Bank's goals and objectives.

Upon completion, a copy of the written program shall be submitted to the Assistant Deputy Comptroller for review and approval.

(5) If a position mentioned in Paragraph (1) of this Article is vacant now or in the future, including if the Board realigns an existing officer's responsibilities and a position mentioned in Paragraph (1) of this Article becomes vacant, the Board shall within sixty (60) days of such vacancy appoint a capable person to the vacant position who shall be vested with sufficient executive authority to ensure the Bank's compliance with this Order and the safe and sound operation of functions within the scope of that position's responsibility.

(6) Prior to the appointment of any individual to a senior executive officer or director position, the Board shall submit to the Assistant Deputy Comptroller the following information:

- (a) the information sought in the “Changes in Directors and Senior Executive Officers” booklet of the Comptroller’s Licensing Manual, together with a legible fingerprint card for the proposed individual;
- (b) a written statement of the Board's reasons for selecting the proposed officer; and
- (c) a written description of the proposed officer's duties and responsibilities.

(7) The Assistant Deputy Comptroller shall have the power to disapprove the appointment of the proposed officer or director. However, the lack of disapproval of such individual shall not constitute an approval or endorsement of the proposed officer or director.

(8) The requirement to submit information and the prior disapproval provisions of this Article are based on the authority of 12 U.S.C. § 1818(b)(6)(E) and do not require the Comptroller to complete her review and act on any such information or authority within ninety (90) days.

Article III

INTERNAL AUDIT

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to an independent, internal audit program sufficient to:

- (a) establish an annual audit plan using a risk-based approach sufficient to achieve these objectives;
- (b) detect irregularities in the Bank's operations;

(c) determine the Bank's level of compliance with all applicable laws, rules and regulations; and

(d) ensure adequate audit coverage in all areas.

(2) As part of this audit program, the Board shall evaluate the audit reports of any party providing services to the Bank, and shall assess the impact on the Bank of any audit deficiencies cited in such reports.

(3) The Board shall require that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

(4) The Board shall ensure that the audit function is supported by an adequately staffed department or outside firm, with respect to both the experience level and number of the individuals employed.

(5) The Board shall ensure that the audit program is independent. The persons responsible for implementing the internal audit program described above shall report directly to the Board, which shall have the sole power to direct their activities. All reports prepared by the audit staff shall be filed directly with the Board and not through any intervening party.

(6) All audit reports shall be in writing. The Board shall require that management take immediate actions to remedy deficiencies cited in audit reports, and that auditors maintain a written record describing those actions.

(7) The Board shall monitor management's progress in correcting deficiencies cited in any audit report or loan review.

(8) 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.

(9) Upon adoption, a copy of the internal audit program shall be promptly submitted to the Assistant Deputy Comptroller.

Article IV

PROFIT PLAN

(1) Within ninety (90) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written profit plan to improve and sustain a satisfactory level of earnings. This plan shall include, at minimum, the following elements:

- (a) identification of the major areas in and means by which the Board will seek to improve the Bank's operating performance;
- (b) realistic and comprehensive budgets, including projected balance sheets and year-end income statements;
- (c) a budget review process to monitor both the Bank's income and expenses, and to compare actual figures with budgetary projections; and
- (d) a description of the operating assumptions that form the basis for major projected income and expense components.

(2) The budgets and related documents required in paragraph (1) above for 2006 shall be submitted to the Assistant Deputy Comptroller upon completion. The Board shall submit to the Assistant Deputy Comptroller annual budgets as described in paragraph (1) above for each

year this Order remains in effect. The budget for each year shall be submitted on or before November 30, of the preceding year.

(3) The Board shall forward comparisons of its balance sheet and profit and loss statement to the profit plan projections to the Assistant Deputy Comptroller on a quarterly basis.

Article V

INDEPENDENT BSA CONSULTANT

(1) Within thirty (30) days, the Board shall retain the services of a qualified independent consultant to perform a comprehensive review of the Bank's compliance with the Bank Secrecy Act ("BSA"). For purposes of this Order, the "BSA" includes the Bank Secrecy Act, the USA Patriot Act, all implementing regulations, as well as the rules and regulations of the Office of Foreign Assets Control.

(2) Within thirty (30) days, a copy of the Bank's proposed "Engagement Letter" with the independent consultant, and any amendments thereto, shall be submitted to the Assistant Deputy Comptroller for review and determination of no supervisory objection prior to execution.

(3) Within sixty (60) days from the date of his or her retention, the independent consultant shall perform transactional testing in all areas of BSA compliance to assess the Bank's overall compliance with applicable laws and regulations and to identify areas that need improvement. Based on this assessment, the consultant shall develop findings, observations and recommendations to enhance the Bank's internal controls and internal audit with respect to BSA compliance.

Article VI

BANK SECRECY ACT - INTERNAL CONTROLS

(1) Within sixty (60) days of receiving the independent consultant's findings regarding the Bank's internal controls for BSA compliance, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program of policies and procedures to ensure compliance with the BSA. At a minimum, this written program shall establish:

- (a) a system of internal controls and independent testing and auditing to ensure ongoing compliance with the BSA;
- (b) operating procedures for both the opening of new accounts and the monitoring of high risk accounts to ensure compliance with Customer Identification Program and Enhanced Due Diligence requirements for both personal and business accounts;
- (c) adequate controls and procedures to ensure that all suspicious and large currency transactions are identified and reported. Procedures should be comprehensive as to all points of cash entry and exit;
- (d) procedures to ensure that records are maintained on monetary instrument transactions and funds transfers, as required by the BSA;
- (e) comprehensive procedures to identify and report to appropriate management personnel:
 - (i) frequent or large volume cash deposits or 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 business reason;
 - (iv) receipt and disbursement of wire transfers or book entry transfers when they are inconsistent with the customer's business;
 - (v) receipt and disbursement of currency or monetary instruments when they are inconsistent with the customer's business; and
 - (vi) bank accounts opened in the name of a casa de cambio (money exchange house) or any "financial institution" as defined in 31 C.F.R. § 103.11(n) (bank, broker/dealer, currency dealer or exchanger, issuer or seller or redeemer of traveler's checks or money orders, transmitter of funds, telegraph company, casino, etc.);
- (f) a comprehensive training program for all appropriate operational and supervisory personnel to ensure their awareness of and compliance with the requirements of the BSA, including the currency reporting and monetary instrument and funds transfer recordkeeping requirements, and the reporting requirements associated with Suspicious Activity Reports ("SARs") pursuant to 12 C.F.R. Part 21, Subpart B;
- (g) an officer who will be responsible for filing Currency Transaction Reports ("CTRs"), Reports of International Transportation of Currency or

Monetary Instruments (“CMIRs”), and Reports of Foreign Bank and Financial Accounts (“FBARs”); and

- (h) comprehensive guidelines and procedures to identify and report both the shipment and receipt of currency or monetary instruments via common couriers, which guidelines should specifically detail procedures that will cover and address improperly labeled courier pouches containing monetary instruments, as well as related procedures for reporting and filing Suspicious Activity Reports for such pouches.

(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 Board shall immediately incorporate those changes into the program.

(3) Within ninety (90) days, the Board shall send the Compliance Officer and BSA Compliance Officer to comprehensive external training for BSA compliance.

(4) Within sixty (60) days after the Compliance Officer and BSA Compliance Officer receive external training, they shall prepare, and the Board shall approve, a revised compliance training program for all appropriate operational and supervisory personnel involved in BSA compliance, as well as the Board, over the next six (6) months, and annually thereafter. Such revised compliance program shall be submitted to the Assistant Deputy Comptroller for review and determination of no supervisory objection prior to implementation.

(5) All internal training shall be documented as to who attended and curriculum provided in the Bank as a record for three (3) years.

Article VII

BANK SECRECY ACT - AUDIT FUNCTION

(1) Within ninety (90) days of receiving the independent consultant's findings regarding the Bank's internal audit of BSA compliance, the Board shall expand the Bank's existing internal audit procedures to include:

- (a) a program to test the adequacy of internal controls designed to ensure compliance with the BSA;
- (b) procedures to test the monitoring of high-risk accounts to ensure that such accounts are properly identified, tracked and reported;
- (c) procedures to test the use of enhanced due diligence on higher risk accounts to ensure that the risk factors on such accounts are properly analyzed and documented, and that complete profile and financial information is obtained;
- (d) procedures to test the administration of non-resident alien accounts to ensure that such accounts are properly designated and tracked;
- (e) procedures to test the monitoring of suspicious activity to ensure that such monitoring meets the requirements of the BSA and conforms with the Bank's BSA policies and procedures;
- (f) procedures to test the administration of wire transfer activity to ensure that it provides ongoing monitoring of domestic and international activity and properly analyzes aggregate activity, patterns and country risk exposure;

- (g) a risk-based approach to BSA compliance that includes transactional testing and verification of data for higher risk accounts or geographic areas of specific concern; and
- (h) prompt management response and follow-up to all audit exceptions or other recommendations of the Bank's auditor.

Article VIII

VIOLATIONS OF LAW

(1) The Board shall immediately take all necessary steps to ensure that Bank management corrects each violation of law, rule or regulation cited in the ROE and in any subsequent Report of Examination. The quarterly progress reports required by Article IX of this Order shall include the date and manner in which each correction has been effected during that reporting period.

(2) Within sixty (60) days of receipt of any subsequent Report of Examination which cites violations of law, rule, or regulation, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(3) Upon adoption, a copy of these procedures shall be promptly forwarded to the Assistant Deputy Comptroller.

Article IX

PROGRESS REPORTING - QUARTERLY

(1) The Board shall submit quarterly progress reports to the Assistant Deputy Comptroller, Southern California – North Field Office, 500 North Brand Boulevard, Suite 500, Glendale, California 91203. These reports shall set forth in detail:

- (a) actions taken since the prior progress report to comply with each Article of the Order;
- (b) results of those actions; and
- (c) a description of the actions needed to achieve full compliance with each Article of this Order.

(2) The progress reports should also include any actions initiated by the Board and the Bank pursuant to the criticisms and comments in the Report of Examination or in any future Report of Examination.

(3) The first progress report shall be submitted for the period ending June 30, 2005 and will be due within fifteen (15) days of that date. Thereafter, progress reports will be due within fifteen (15) days after the quarter end.

Article X

ADMINISTRATIVE APPEALS AND EXTENSIONS OF TIME

(1) If the Board determines that an exception to any provision of this Order is in the best interests of the Bank, or requires an extension of any time frame within this Order, the Board 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 Bank from complying with any provision, that require the Assistant Deputy Comptroller to exempt the Bank from any provision, or that require an extension of any time frame 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 XI

CLOSING

(1) Although the Board is by this Order required to submit certain proposed actions and programs for the review or prior determination of no supervisory objection of the Assistant Deputy Comptroller, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon her by the several laws of the United States of America to undertake any action affecting the Bank, 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.

(4) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through her 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) 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.

(6) 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 16 day of May, 2005.

/s/ Dorothy A. Sander-Ziegler

5-16-2005

Dorothy A. Sander-Ziegler
Assistant Deputy Comptroller
Southern California – North Field Office

Date
May 16, 2005

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

In the Matter of:)
InterBusiness Bank, N. A.,)
Diamond Bar, California)

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

The Acting Comptroller of the Currency of the United States of America (“Comptroller”) has initiated cease and desist proceedings against InterBusiness Bank, N. A., Diamond Bar, California (“Bank”), pursuant to 12 U.S.C. § 1818(b).

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated May 16, 2005 (“Order”);

In consideration of the above premises, the Comptroller, through her authorized representative, and the Bank, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

Article I

Jurisdiction

(1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*

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

(3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1818(b)(1).

Article II

Agreement

(1) The Bank, without admitting or denying any wrongdoing, hereby consents and agrees to the issuance of the Order by the Comptroller.

(2) The Bank further agrees 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 consents and agrees 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). 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 under its supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(3) The Bank also expressly acknowledges 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 its supervisory responsibilities.

Article III

Waivers

(1) The Bank, by signing this Stipulation and Consent, hereby waives:

- (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 agrees 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 if, at any time, she deems it appropriate to do so to fulfill the responsibilities placed upon her by the several laws of the United States of America.

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

/s/ Dorothy A. Sander-Ziegler

5/16/05

Dorothy A. Sander-Ziegler
Assistant Deputy Comptroller
Southern California North Field Office

Date
May 16, 2005

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

Signed Fred L. Carpenter	5-16-05 Date
Signed John B. Hansen	5-16-05 Date
Signed David A. Hayden	5/16/05 Date
Signed Herbert T. C. Huang	5/16/05 Date
Signed Stephen H. Liu	5-16-05 Date
Signed Keng Lu	5/19/05 Date
Signed Ed Meltzer	5/16/05 Date
Signed Mark Rubin	5/18/05 Date
Signed Julie Wang	5/16/05 Date